EFFECTS OF PERFORMANCE CONTRACTING ON ORGANIZATIONAL PERFORMANCE IN THE PUBLIC SECTOR, A FOCUS ON COUNTY GOVERNMENT OF MURANG'A IN KENYA

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DECLARATION

Student Declaration

I hereby declare that this Thesis is my original work and to the best of my knowledge has not been presented for a degree award in this or any other university. I understand what plagiarism is and I am aware of the University policy in this regard. I understand that any false claim I respect of this work shall result in disciplinary action in accordance with the university Anti-Plagiarism Policy.

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Supervisors' Approval

The undersigned certify that they have read and hereby recommend for acceptance of Murang'a University of Technology a thesis entitled Effects of Performance Contracting on Organizational Performance in the Public Sector, A Focus on County Government of Murang'a in Kenya

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DEDICATION

I dedicate my research work to my son Lenny, my lovely daughters Brenda and Viola, my dear wife Catherine, my parents Richard and Cecilia, and my sister Carol, in appreciation of their unwavering support.

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ABSTRACT

Globally, performance contracting has emerged as a commonly used management approach within the state sector, aimed at enhancing organizational efficiency and effectiveness. In the context of county government in Kenya, where the decentralization of governance has gained momentum, it is essential to comprehend how performance contracting influences organizational performance. While studies have explored the effects of performance contracting in different contexts, the specific dynamics within county government organizations in Kenya merit dedicated attention due to the unique challenges and opportunities presented by the decentralization of governance. Local governments were under pressure to increase service delivery, cut expenses, and become more responsible, client-focused, and stakeholder-responsive. Key contributors to poor performance included excessive regulation and control, frequent political interference, ineffective management, blatant misuse of resources, unclear employee expectations, and inadequate or non-existent performance evaluation systems. In order to address the issue, the government chose to implement a performance contracting system in 2003. There remains ambiguity regarding whether performance contracts have enhanced organizational efficiency in public service delivery. This study aimed to examine the effects of performance contracting on the organizational performance of Murang'a County Government. In particular, the goals should determine how setting goals affects organizational performance, assess how employee training affects organizational performance and determine how much performance reviews affect organizational performance, the study utilized a mixed methods research design, integrating both qualitative and quantitative approaches to ensure a thorough collection of data and to compensate for the shortcomings of using either method alone. The target population comprised employees across management, supervisory, and subordinate levels within the Murang'a County Government. A sample size of 358 participants was selected using stratified sampling. Primary data was gathered from respondents using questionnaires. To increase the instrument's dependability, the expert did a pilot test which was done using available staff of Murang'a County Government. The research instruments were subjected to validity testing to confirm their accuracy and relevance. Documentary analysis was used to gather secondary data from organization's strategic plans and websites. Data analysis was conducted using SPSS version 23. Descriptive statistics, including frequencies, percentages, and mean scores, were used to summarize the data. The study revealed that target setting was widely viewed as a crucial factor in enhancing organizational performance while training programs emerged as vital for organizational performance. However, respondents agreed that appraisals are fundamental in improving performance and the majority of respondents perceived that Performance Contracting as having significantly improved efficiency. These findings suggest that resource allocation, goal specificity, and effective task management play crucial roles in driving organizational performance. Further, from the findings the study recommended a comprehensive approach across training, resource allocation, performance appraisals, and performance contracting. The major conclusions of the study were that target setting is widely viewed as a crucial factor in enhancing organizational performance and training programs emerged as vital for organizational performance.

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ACRONYMS AND ABBREVIATIONS

MCG	Murang'a County Government
OECD	Organization for Economic Cooperation and Development
USA	United States of America
EAC	East African Community
GOK	Government of Kenya
KNUT	Kenya National Union of Teachers
NPM	New Public Service Management Theory
ROM	Results Oriented Management
IDRC	International Development Research Centre
SPSS	Statistical Package for Social Sciences

OPERATIONAL DEFINITION OF KEY TERMS

Performance contracting are a collection of management tools used in performance management to outline expectations and responsibilities between parties in order to produce results that are acceptable to both sides.

Performance can be defined as an effective and efficient outcome of a piece of work, which also considers personnel welfare and measures such as time, turnover and cost cutting issues.

Employee Performance refers to the output produced by an employee at the lowest possible cost while utilizing their technical abilities and raw materials to fulfill their duties at work.

Public service is a service rendered by a government officials employed in civil occupations delivered in an effective, predictable, reliable and customer friendly manner.

Service delivery in the public sector can be defined as the outcome or output of government officials employed in civil occupations that are neither political nor judicial.

Performance appraisal is a feedback system used in performance management that involves setting targets and later evaluation of achievements of targets by an employee by an immediate supervisor or manager.

Training is a brief process of application-specific learning that aims to increase knowledge or skill and has immediate applications for both the person and the organization.

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Performance contracting has been increasingly adopted across the globe as a strategic approach to bolster the efficiency and effectiveness of public sector entities (Pollitt, 2018). The global landscape has witnessed various countries implementing performance-based management strategies to improve public service delivery and accountability (OECD, 2019). The Performance Contract System was initially introduced in France in the late 1960s, following the publication of the influential Nora Report on the reform of state-owned enterprises. "Performance contracting received significant momentum from its adoption in New Zealand, where it was a key component of the country's pioneering public sector reforms. Its credibility and popularity further grew when it was incorporated into the U.S. government framework through the Government Performance and Results Act of 1993.

Currently, performance contracting is implemented across all government agencies in the United Kingdom. It was subsequently developed in detail in Pakistan and South Korea, and later adopted in India (Organisation for Economic Co-operation and Development [OECD], 2019). It has been implemented in developing nations in Africa, such as Nigeria, Gambia, Ghana, and Kenya. Governments were notorious for having lengthy bureaucratic processes that were ineffective and unaccountable, which leads to high levels of graft and resource waste, which has a negative effect on the economy (Osei-Tutu, Ahenkan, & Mensah, 2021).

According to Hassan (2019), Kenya’s public sector, having experienced a damaged reputation, turned to reform initiatives in an effort to restore public trust and improve its image. The political class and bureaucrats have occasionally meddled with how public institutions were managed. In such situations, it is challenging to evaluate managers' work, inspire them, and hold them responsible for the outcomes. Furthermore, unlike private owners, politicians might attempt to force managers to serve goals that were incompatible with efficiency, like rewarding inefficiency.
According to recent studies, performance contracts have been crucial in enhancing accountability and efficiency in Denmark’s public sector reforms (Greve, 2021),

Performance contracts were very important in Denmark. The primary objective of these contracts was to enhance the operational performance of federal ministries, thereby reinforcing public confidence in the government through improved policy oversight and administrative efficiency in the United States.

Public sector reform initiatives in African nations became necessary due to the persistent underperformance of public agencies. In response to these challenges, nations like Ghana, Nigeria, The Gambia, and Kenya have progressively implemented performance contracting as a strategy to strengthen accountability, enhance service delivery, and promote efficiency within the public sector. (Asamoah, Osei-Tutu, & Ofori, 2022; Amoako, K., & Inkoom, 2022). Within the East African Community (EAC) framework, the Performance Contract for the 2008/2009 period emphasized member states' obligations toward achieving common goals, notably the effective implementation of the Strategic Plan (2007–2012). Member states were required to align their national work plans with measurable performance targets to promote regional integration and improve public sector performance (Ntwiga & Kareithi, 2022).

Performance contracting involves evaluating actual outcomes against predefined performance targets that are agreed upon at the start of a given period. Organizational performance refers to the capacity to achieve or surpass established benchmarks, such as sales targets, brand reputation, minimized error rates, and customer loyalty. The process of performance contracting generally follows four key stages: developing a work plan, building staff capacity, monitoring and evaluating performance, and recognizing exceptional achievement.

Performance Contract outlines the parties' respective performance commitments, goals, and duties. It is a contractual commitment to carry out a service in accordance with predetermined conditions, within a predetermined timeframe, and in accordance with predetermined resource usage and performance standards (Opiyo, Guyo, Moronge, and Otieno 2017). The alignment of specific, measurable performance targets was intended to establish a robust foundation for performance evaluation and enhanced accountability. Performance contracting targets serve as critical benchmarks within management control systems, providing a basis for the systematic assessment

of achievements at the end of a given period (Kimani & Wainaina, 2021; Mwita & Nzuve, 2022). This shift illustrates the growing dominance of output- and results-oriented controls, which have increasingly replaced the traditional focus on input- and procedure-based management approaches.

The emergence of results-based management reflects a departure from earlier models that prioritized inputs and procedures. Typically, the performance contracting process consists of four fundamental phases: formulation of work plans, development of employee competencies, systematic monitoring and evaluation of performance, and the formal recognition of exemplary achievements. These processes collectively ensure that staff performance is systematically assessed against predetermined objectives. Additionally, the formation of integrated solutions teams, tasked with fostering participation and sustaining institutional support, has been highlighted as a best practice in effective performance management systems (Otieno & Mwaura, 2022).

Organizational performance refers to the capacity of an organization to meet or exceed predetermined standards across key performance areas. These standards may include metrics such as sales volume, brand visibility, rework reduction rates, and customer retention rates (Mwangi & Wanjala, 2023). As a managerial approach, performance contracting offers a systematic framework for guiding organizational operations and evaluating outcomes for comparing actual performance against mutually agreed-upon goals. It is generally a mutually negotiated agreement between a government institution and the central government which acts as the agency's principal stakeholder (Otieno & Kareithi, 2021).

The public sector is essential to the effective delivery of services that are vital to the stability and growth of national economies. Ineffective service delivery not only hampers national development but also negatively affects the quality of life for citizens (Mugo & Njuguna, 2022). In Kenya, the management of the public sector has faced persistent challenges, prompting several waves of reforms aimed at enhancing service delivery. Performance contracting was introduced to address the public sector's historical lack of clarity regarding organizational mandates and the multiplicity of

objectives, some of which deviated from core institutional purposes (Kiptoo & Ngeno, 2023).

Despite the potential benefits, the implementation of performance contracts in Kenya has not been uniformly successful. A study by Wambua and Mwende (2022) noted that only a few parastatals and government ministries have fully embraced performance contracting since its inception, with resistance evident in key sectors such as the judiciary and among educational unions like the Kenya National Union of Teachers (KNUT). Resistance often stems from concerns over fairness, transparency, and the perceived burden of accountability. Nevertheless, performance contracting remains a critical tool for establishing clear performance targets and enhancing accountability among public officials. Recent evidence suggests that when properly implemented, performance contracts can significantly improve service delivery outcomes and foster a results-oriented culture in public institutions (Kariuki & Mutiso, 2024).

Although these studies provide meaningful insights, it is noteworthy that the majority were carried out in broader national or sectoral contexts. Limited empirical research has specifically Investigated the effects of performance contracting on organizational performance in the context of Murang'a County Government, thereby highlighting the need for localized investigations. Although extensive reforms have been implemented and the advantages of performance contracting in promoting accountability and improving service delivery within the public sector are welldocumented, there is still a notable lack of localized research especially within devolved entities like county governments. Specifically, limited empirical evidence exists on how performance contracting influences organizational performance within the Murang'a County Government. Given the unique administrative, operational, and socio-economic dynamics of county governments, a focused study was necessary to assess the effectiveness, challenges, and outcomes of performance contracting at this level.

Accordingly, this study aimed to address the existing knowledge gap by analyzing the effects of performance contracting on organizational performance with a specific focus on the Murang'a County Government. The findings will not only contribute to academic knowledge but also provide practical insights to policymakers,

administrators, and stakeholders aiming to enhance performance and service delivery at the county level.

1.2 Statement of the Problem

Despite the allocation of national government resources, implementation of performance contracting frameworks, and institutional reforms, the performance of devolved units in Kenya especially in service delivery continues to fall short of public expectations. This challenge mirrors broader concerns within the public sector, where efficiency and service quality have often lagged behind reforms intended to address them. Performance contracting was introduced with the goal of institutionalizing a performance-oriented culture, enhancing public sector efficiency, aligning resources with national policy priorities, and improving service delivery through greater accountability among top managers (Odhiambo & Mutiso, 2022).

While the introduction of performance contracts was seen as a strategic move to transform public administration, challenges in achieving the intended outcomes persist. Recent studies by Mutua and Okello (2022) and Kamau (2021) It is recognized that while performance contracting forms a component of wider state sector reform efforts intended to enhance productivity and minimize operational expenses, achieving strategic alignment between the government (the principal) and the implementing agencies remains a complex and ongoing challenge. County governments officially adopted performance contracting frameworks in 2015, but significant gaps still exist in ensuring consistent application and realizing the intended performance outcomes., yet significant improvements in service delivery and operational efficiency have not materialized as anticipated (Wanyama & Mwanzia, 2023).

Although performance contracting has been widely implemented as a public management reform, scholarly evaluations remain theoretically fragmented and scattered across contexts, often lacking comprehensive analysis of organizational performance outcomes (Bel, Espaillat & Esteve, 2025). In Kenya, existing studies typically focus on specific organizations or narrow outcomes, such as service delivery or target achievement in individual institutions (Luke, 2021; Orwa & Otieno, 2021), without systematically examining how internal mechanisms like training and

performance appraisal influence broader organizational performance. Furthermore, implementation challenges identified in public sector performance contracting, including inadequacies in training and management support, highlight the need for rigorous enquiry into these mechanisms (Mwambingu, 2017; Author, 2025). National reviews also point to limitations in performance measurement practices, reinforcing the need for deeper and comparative research on performance contracting in public organizations (KIPPRA Discussion Paper No. 186, 2015). In Murang'a County Government, performance contracting has been institutionalized; however, the extent to which target setting, training, and performance appraisal contribute to improved organizational performance remains inadequately documented. This study therefore aims to evaluate the effects of performance contracting on organizational performance, where organizational performance serves as the dependent variable, and the independent variables include target setting, training, and performance appraisal.

1.3 Purpose of the study

The purpose of this study was to examine the effects of performance contracting on organizational performance focusing on Murang'a County Government.

1.4 Objectives of the study

1.4.1 General Objective

The study aims to examine the effects of Performance Contracting on Organizational Performance in the Public Sector, a focus on County Government of Murang'a in Kenya

1.4.2 Specific objective

i. To determine how setting targets affects organizational performance
ii. To assess how employee training influences organizational performance
iii. To evaluate the extent performance appraisal, influence organizational performance

1.5 Research Questions

The research was directed by the following key questions:

i. What are the effects of setting targets on organizational performance?

ii. How does employee training influence organizational performance?

iii. What impact does performance appraisal influence organizational performance?

1.6 Justification of the Study

Performance contracting remains a critical instrument for improving public sector management and accountability in Kenya, particularly within county governments (Gakure & Wanjiru, 2022). Understanding its effects on organizational performance is essential for policymakers, administrators, and practitioners engaged in advancing public sector reforms. As county governments are tasked with delivering a wide array of public services, this study addresses the core question of how performance contracting contributes to or impedes organizational effectiveness. Findings will inform strategies aimed at strengthening service delivery and enhancing operational efficiency (Ngugi & Koskei, 2021).

Kenya's decentralized governance framework underscores the pivotal role of county governments in promoting local development and delivering services. Evaluating performance contracting within this decentralized framework is crucial for determining its relevance, strengths, and limitations at the county level.

Despite global attention on performance contracting, empirical research examining its specific effects within Kenyan county governments remains limited. This study aims to address this knowledge gap by offering a detailed analysis of the relationship between performance contracting and organizational outcomes within the public sector. The findings will offer valuable guidance for policymakers involved in public sector reforms, helping to refine and adapt performance contracting policies to better suit the unique challenges faced by county governments in Kenya (Mwangi, 2023).

A deeper understanding of the effects of performance contracting on organizational performance can inform the design of targeted capacity-building and training programs, enhancing the competencies of public sector employees to successfully implement and sustain performance-based reforms. This study provides a platform for benchmarking the practices of Kenyan county governments against international best practices in performance contracting. Lessons learned from successful strategies and

challenges identified will support the adaptation of proven methodologies to improve public sector performance locally.

Academically, the study will contribute to the expanding literature on public sector performance management, comparative public administration, and organizational behavior. It will provide a case study that can inform future research and stimulate academic discourse on public sector reforms in developing contexts.

In conclusion, this study is justified by its potential to generate actionable insights that enhance public sector management, improve organizational effectiveness, and strengthen service delivery within the devolved system of governance in Kenya.

1.7 Significance of the study

This study is significant in that it offers valuable insights for county governments by identifying strengths and weaknesses in the effective implementation of performance contracting, offering a basis for improving public sector management and service delivery. It also promotes greater awareness and engagement among employees, helping to strengthen their contribution to organizational performance. The findings will guide managers across various government organizations on strategies to optimize workforce productivity through effective performance contracting especially in county governments.

The study also enriches the limited body of literature on performance contracting within Kenya's devolved governance system, highlighting areas that require further investigation. Additionally, the study offers policymakers evidence-based recommendations for designing more effective performance management frameworks to enhance organizational efficiency and accountability across county governments.

1.8 Assumptions of the study

The study operated under the assumption that the respondents were employed by the institution for a sizable period of time and provided as much information as possible regarding performance contracts and how they affect organizational performance:
Implementation Consistency. The study assumed that performance contracting is implemented consistently across the selected county governments. It is presumed that

uniformity in adoption and execution exists; any significant variations in implementation practices could potentially affect the validity of the research instruments and comparability of the study's findings (Mutua, 2021).

Accurate and Honest Responses. It is assumed that survey respondents provided accurate and honest responses. The reliability of the study depends on the sincerity of the participants in sharing their experiences and perceptions related to performance contracting Revelle, & Condon, (2019). Organizational Homogeneity. The study assumed a reasonable degree of homogeneity among county government organizations regarding their structures, operational processes, and contextual environments. Although efforts were made to select representative cases, existing variations among organizations may influence the generalizability of the findings (Mwangi & Wambua, 2022). Effective Communication Channels. It is assumed that effective communication mechanisms exist within the county government organizations to ensure that performance contracting goals, expectations, and outcomes are clearly understood by employees and relevant stakeholders. Weak communication flows could affect the implementation and success of performance contracting (Muthee & Karanja, 2021).

Resource Availability. The study presumed that the selected county government organizations have adequate human and financial resources to support the effective implementation of performance contracting initiatives. Any resource deficiencies could significantly affects the success or failure of these efforts (Omondi & Githinji, 2023).

Stakeholder Collaboration. The study assumed a collaborative relationship among key stakeholders, including government officials, employees, and external partners. Effective stakeholder collaboration is critical for the successful execution of performance contract framework and for achieving the intended improvements in organizational performance (Kiprotich & Kemboi, 2022). Political Stability. The research assumes a stable political environment within the selected counties during the study period. Political instability or changes in leadership could potentially affect the implementation and effectiveness of performance contracting Mbebe, (2021).

Comparable External Factors. The study assumes that external factors influencing county government organizations such as economic conditions, regulatory

frameworks, and political environments are relatively comparable across the selected cases. Significant disparities in these external factors could affect the study's generalizability and the interpretation of results (Chesang & Kamau, 2023).

Sensitivity of the Survey Instrument. It is assumed that the survey instrument employed in the study is sufficiently sensitive to detect subtle differences in respondents' perceptions and experiences related to performance contracting. Any design limitations, measurement errors, or biases could affect the consistency and accuracy of the data obtained during the research process (Ngugi & Waweru, 2022).

Validity of Existing Literature. The study assumes the validity, relevance, and applicability of existing scholarly literature and theoretical frameworks on performance contracting and organizational performance. These theories are presumed to be adaptable to the Kenyan county government context and foundational to the study's conceptual grounding (Otieno & Mwangi, 2021).

Finally, the research assumed that the selected group of respondents chosen for this investigation is reflective of the broader population the study seeks to draw conclusions about. The second assumption is that the participants selected for this study were carefully chosen to align with the research objectives answered the Study question honestly because they touch on their performance

1.9 Scope of the study

This research concentrated on the effects of performance contracting on organizational performance within the County Government. The investigations specific goals were to identify the effect of performance contracts on effective public servants in the public sector, evaluate the influence of performance contracts on employee growth in the public sector, and determine how much performance contracts influence service delivery in a public sector. The study was limited to County Government units to ensure a manageable scope while providing detailed insights into a devolved governance setting, where accountability and service delivery are crucial. According to Bryman (2021), narrowing the scope to a specific context or sector ensures the study remains focused, manageable, and capable of generating actionable insights relevant to policy and practice.

1.10 Limitations of the study

Confidentiality, Organizations typically do not divulge information to the general public about things they consider private and sensitive, making it challenging to get the data needed for the research study. Bureaucracy; the public sector is quite a sensitive environment, and as such meeting with the staff is in some way difficult. The researchers intend to assure and guarantee the respondents that high level of confidentiality and data integrity was maintained and also that the research study is only meant for academic purpose.

Fear of victimization; management has a history of being wary of researchers; it is anticipated that some respondents worried about the volume of information management wants them to provide without consequence and as a result, provided inaccurate information. In overcoming the limitations, the investigator assured the targeted population that this research data was for the purpose of this investigation only, guaranteed their anonymity and confidentiality.

1.11 Contributions of the Thesis

This study makes several notable contributions

It offers empirical evidence on the link between performance contracting and organizational performance within Kenya's public sector shedding loght on an area that has received limited scholarly attention.

It demonstrated how key components of performance contracting affects critical aspects of organization performance.

The findings provide actionable recommendations to guide policy formulation and implementation strategies aimed at improving the organizational performance within performance management systems in Kenya's public sector.

Academically, the research develops measurable indicators and conceptual linkages that can inform future studies at the intersection of human resource management, organizational performance in similar public sector contexts.

1.12 Organization of the Thesis

This thesis is organized into five chapters, each building on the previous one to provide a coherent and logical flow of the study.

Chapter one introduces the study by outlining its background focusing on the effect of performance contracting on Organizational Performance in the Public Sector. It also defines the research problem, objectives, justification, significance, limitations, assumptions and scope of the study.

Chapter two provides the theoretical foundation for the research, drawing on relevant performance contracting on organizational performance theories. It further presents an extensive review of the related empirical literature on performance contracting and organization performance. The chapter concludes with a conceptual framework that maps our relationships among variables and identifies existing research gaps.

Chapter three outlines the methodology adopted for the study, detailing the research design, target population, sampling procedure, data collection instruments, data analysis techniques and ethical considerations that guided the research process.

Chapter four presents and interprets the research findings, integrating descriptive and inferential statistical analyses. These results are discussed in alignment with the study objectives to provide meaningful interpretation.

Finally, chapter five synthesizes the key findings, draws conclusions based on the study objectives and offers practical recommendations for relevant stakeholders, the chapter also proposes areas of further research to expand on the insights generate from this study.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

In this chapter, an overview is provided of the literature conducted by scholars who have studied a similar area. The precise subjects explored in this article include performance contract he, performance contracting in the public sector, and performance contracting in Kenya as a strategy for performance improvement in the public service. A review of the literature from studies completed by other researchers, which may be found in manuals, journals, periodicals, and books, was included.

2.2 Theoretical Review

The theoretical frameworks that inform this survey apply to performance contracts and organizational performance were discussed in this section. Goal Setting theory, Agency theory, and New Public Service Management philosophy served as the study's pillars, as further stated in the following subsections. Goal setting theory according to Locke & Latham (2019) is a theory of motivation where employees are given clear objectives and make efforts towards achieving the goals set. The agency theory highlights the need for both parties that is the employer and employee in enhancing organizational performance. The employees act as agents of the departments and are required to do so in a way that upholds the Principal's standards who is the employer. According to Christensen and Lægreid (2021), the New Public Management (NPM) theory aims at enhancing performance in an organization focusing modifications to the structures through training, development processes, and practices of public sector organizations.

2.2.1 Goal Setting Theory

Goal-Setting Theory, proposed by Locke (1968) and later refined by Locke and Latham (1990), posits that specific, challenging, and well-defined goals lead to higher levels of performance than vague or easy goals. Goal Setting Theory (Locke & Latham, 1990) explains how specific, challenging goals in performance contracts drive organizational performance. In Murang'a County, this theory helps examine if clear goals in contracts lead to improved outcomes. The theory emphasizes goal clarity, commitment, feedback, and task relevance as critical factors influencing performance outcomes.

In performance contracting, target setting operationalizes the principles of Goal-Setting Theory by defining measurable performance targets for departments and employees. Clear and achievable targets enhance employee focus, motivation, and accountability, thereby improving organizational performance. The theory therefore underpins the examination of target setting as a key dimension of performance contracting in this study. According to Hastings (2011), employees are motivated by clear objectives and constructive criticism. The literature continued further by arguing that making an effort toward a goal gave workers a significant amount of motivation to really achieve the goal. A cognitive motivational theory referred to as goal-setting theory is grounded in the notion that individuals possess desires, which can be interpreted as specific outcomes or objectives they aim to attain (Locke & Latham, 2019). The theory posits that human behavior is intentional (Locke & Latham, 2018), with goals serving to guide and sustain that behavior.

Locke & Latham (2019). individual efforts toward accomplishing a specific task. Goals are characterized by two key features or dimensions, according to Sicilia, Alcaraz-Ibáñez, Lirola & Burgueño (2017: content and intensity. The properties of the goals themselves, notably their difficulty and specificity, were referred to as goal content.

Goal intensity is related to factors like individual commitment and the thought processes required to establish and accomplish objectives. This theory is further demonstrated that situational factors operate as a moderator for the outcome of a goal on performance. The degree of government at which the goals were defined may potentially weaken or strengthen the relationship between goalsetting and employee performance. This suggests that objective specificity, a crucial element of goal setting theory, may not be something that the goal setters were likely to do, but that middle managers' responsibilities were frequently more operational than those of employees in Kenyan public sector enterprises. Therefore, it is conceivably the most crucial responsibility in directing performance and ultimately enabling service delivery in devolved governments to set clear, high goals for an individual or team. In light of goal intensity, it follows that public sector organizations should monitor organizational tone since it influences individual commitment and cognitive processes that were essential for improving performance in public sector companies.

Many research projects have endeavored to examine the relationship between performance and goal-setting. In reality, managers' doubts about the validity of the system increased in situations when they were unclear about their goals. Employees were more likely to experience favorable incentive effects, according to Chepkemoi.(2018). This idea is thus pertinent to this study since performance contracts play a significant role in creating goals and reaching consensus on them with the department. The benchmarks they have established for themselves serve as the basis for performance contracting evaluation. Additionally, the goal theory concept serves as the foundation for the financial management methods.

2.2.2 Agency theory

Agency theory explains the principal–agent relationship in which the government (principal) delegates responsibilities to public managers and employees (agents), emphasizing alignment of interests through target setting, monitoring, and performance appraisal. Agency Theory (Jensen & Meckling, 1976) is relevant as it explains how performance contracting addresses principal-agent problems in public sector bureaucracies. It helps analyze how contracts align agent (management) actions with principal (government/citizen) interests. Performance contracting serves as a mechanism to reduce agency problems by clarifying expectations, enhancing capacity through training, and ensuring accountability through performance appraisal.

The agent theory in economics, according to Bosse & Phillips (2016). is predicated on a number of fundamental beliefs about individual and group conduct. Since it was believed that people and organizations acted rationally and in their own best interests, the principal (owner) and agent's interests diverged. (producer). The expense and difficulty of observing the agent's behavior both rise as a result of the separation of ownership and production. As the agent goes about carrying out a job on behalf of the principal, this leads to information asymmetry that is advantageous to him. Moral hazard and unfavorable selection are two agency issues that develop in these circumstances. Instances of the individual acting opportunistically are referred to as moral hazard.

The agent may have opportunities to act in a way that maximizes his utility but is in contradiction with the principal's intentions due to conflicting interests and knowledge asymmetry favoring the agent Bosse & Phillips (2016). In order to improve the results of contractual agreements, monitoring enables the principal to identify opportunistic behaviour and match the agent's behaviour with his own goals Capurro (2012). The idea is pertinent to this study because those who execute act as agents of the departments are required to do so in a way that upholds the Principal's standards.

This theory is pertinent to our study since those who implement Performance Contracting do so on behalf of the departments and were therefore required to act in accordance with the Principal's standards in performance appraisals. The theory provides guidance for human resource practices related to the variables of service delivery, employee development, effective public servant, and leadership style. Principal agent issues also suggest that leaders are not using transformational leadership philosophies. The aforementioned bad behaviors brought on by principal agent issues have a negative effect on the outcomes of performance contracts Ewelt-Knauer, Schwering & Winkelmann (2022).

2.2.3 New Public Service Management Theory(NPM)

New Public Management (NPM) philosophy emphasizes citizen-centered public service, advocating for ethical, accountable, and responsive management practices. NPM underpins performance contracting as a reform tool emphasizing efficiency, accountability, and results. Applying NPM helps assess if contracting mechanisms improve organizational performance in Murang'a County's public sector context. By integrating these theoretical perspectives, the study examines how target setting, training, and performance appraisal influence organizational performance in the public sector while balancing efficiency with public service values. It is a contemporary approach to public sector reform that emphasizes efficiency, effectiveness, and the adoption of private-sector management practices within public administration. It seeks to make public organizations more competitive and results oriented by focusing on performance measurement, accountability, and customer service. According to Christensen and Lægreid (2021), public management reform entails purposeful modifications to the structures, processes, and practices of public

sector organizations, aiming to enhance their performance, accountability, and responsiveness to citizens.

NPM is grounded in principles such as decentralization, market-oriented reforms, and performance based accountability. It has been particularly influential in shaping reforms aimed at enhancing service delivery and resource utilization in public institutions. However, the implementation of NPM in developing countries, including county governments, has faced challenges due to limited operational expertise and capacity constraints. As emphasized by Lodge and Wegrich (2022), applying New Public Management reforms in developing or fragile states demands careful adaptation to local contexts to achieve effective and sustainable outcomes.

While NPM has contributed to increased efficiency and responsiveness in some contexts, it has also been critiqued for potentially undermining traditional public service values such as equity, transparency, and public interest. Consequently, there is an ongoing discourse on adapting NPM principles to better align with the unique needs, governance structures, and capacities of different public sector environments (Pollitt & Bouckaert, 2017; Osborne, 2018).

2.3 Empirical Review

Globally, several recent studies have analyzed how performance contacting influences organizational performance. According to Alsharari (2023), performance contracting has become a critical tool for enhancing accountability, transparency, and efficiency within public institutions, although challenges persist, particularly regarding the establishment of accurate and fair performance metrics. Similarly, Hood and Dixon (2022) emphasized that while performance contracting frameworks can drive improvements in service delivery, their success heavily depends on institutional readiness, cultural acceptance, and the ability to measure performance outcomes accurately. Despite these challenges, many governments, especially in developed economies, have successfully leveraged performance contracts to streamline service delivery and align public sector performance with strategic national goals.

Studies such as that by Wamalwa and Murunga (2022) have shown that performance contracting has played a vital role in enhancing efficiency and effectiveness within public service, particularly in Kenya's state corporations. Nonetheless,

implementation challenges, including political interference, inadequate training, and resistance to change, have limited its effectiveness at the decentralized government levels. Oduro and Amponsah (2023) noted that while performance contracts offer a promising framework for public sector reforms across Africa, localized strategies tailored to county or regional dynamics are crucial for success.

In Kenya specifically, while Vision 2030 aimed to transform public service by aligning human resource functions with national strategic objectives, there remains a significant gap at the County Government level in relating performance contracting with measurable improvements in organizational performance, thus justifying the need for the current study.

2.3.1 Performance Contacting in Kenya

Performance contracting serves a critical function in promoting desired behaviors by placing greater emphasis on outcomes. This became particularly significant following the enactment of the devolved system of governance introduced by the Constitution of Kenya (2010). From a local perspective, performance contracting may also be traced to Kenya, where the cabinet initially acknowledged the standards advised for regulating and simplifying the performance of public enterprises in 1991. The National Cereals and Produce Board and Kenya Railways were among the first two state-owned enterprises (parastatals) to implement the initiative in 1989. But the two fell short of the requirements for performance contracts. In the most current performance contracting assessment of state businesses, which was done in December 2006, Kenya Railways was placed No. 56, whereas the National Cereals and Produce Board was ranked 109th. To improved Openness and responsibility in administration of public funds, the government committed to reintroducing performance contracts in 2003 (Kemboi, 2022).

In 2001, the government developed and launched the Strategy for Improving Performance within the Welfare Program in an effort to hasten the implementation of the State Service Responsive Performance. The Policy sought to improve service performance and increase productivity. It detailed the steps necessary to implement a permanent and viable advancement in the provision of public services. (Rotich, 2019). Weak manager actions affected the performance contracting execution process in

government tertiary institutions as a result of poor strategic thinking. Other elements that were taken into consideration to have an effect on the strategy's execution in Kenya included challenges such as inter- and intra-agency relationships, coordination issues, organizational structure, and resource constraints often affect performance. Additionally, managerial characteristics defined as traits and attributes possessed by members of the management team play a significant role in shaping decisions that influence an organization's future outcomes. Langer, M., & Landers, R. N. (2021).

The performance contracting model in Kenya has significantly altered the way public services are delivered since it was implemented in 2004. The model is acknowledged for enhancing the attitudes of elected policymakers by putting an emphasis on results and civic engagement rather than procedures. The organization tasked by and for the government with delivery of services and commodities at various levels of government is known as the state sector. In contemporary political and administrative situations, the public sector must be clearly defined according to Okungu (2017). The performance contracting aids in creating clearer definitions of goals, enhanced management of policy innovation, improved tracking mechanisms, and stronger control systems, while also giving county government administration tactical and organizational independence.

2.3.2 Performance Contracting and Organizational performance

Performance management solutions aim to achieve three objectives: savings, internal management improvement through improved client services, and better accountability. How to improve the organization's standard operating procedure is the main concern at hand? Organizational performance can be challenging due to numerous requirements, including sustainability, profitability, and readiness to handle environmental changes. Financial metrics, which are often viewed as hypothetical on paper rather than actual in practice, can be used to estimate an organization's performance Lee, Romzi, Hanaysha, Alzoubi, & Alshurideh, (2022).

On the results obtained is seen as in many other phrasings it is the mix, product variety of stakeholders and non-output measures (Anwar, 2017). As the primary determinants of organizational performance and profitability. Mousa and Othman, (2020) have

proven that efficiency and the other signals for benefit and turnover as important financial performance measurements.

According to Owuor and Omolo (2023), performance contracting plays a critical role in influencing employee productivity and organizational behavior, making it a central tool for enhancing overall institutional performance. In other words, ensuring that the processes are vitally important to the survival of the company. Dickmann & Parry (2020) asserted that when employees are not committed to their job, there was an increase in organizational turnover, a lack of efficiency, poor service quality, and a larger workload on management with less employee engagement to their workplaces. Turakhodjaev et al (2020) found that issues with performance contracting led to a greater turnover rate. Performance contracting improved workforce productivity and activity as observed by Yong et al. (2020).

Recent studies, such as by Mwangi and Kamau (2022), have confirmed that performance contracting is closely associated with enhanced organizational performance, particularly through improvements in service delivery and customer satisfaction. Hameed & Anwar (2018) discovered a link between performance contracts and the firm's general sustainability, profitability, and improved customer service. In this type of environment, according to Ali & Anwar & Abdullah (2021), all institutions must keep high levels of both productivity and customer satisfaction. Abdullah & Othman, (2016), discovered that the importance of good service can be appreciated in a competitive environment. Managers, are able to increase their productivity, foster their well-being, enhance their welfare, and safeguard their financial management and stability (Hanic & Jevtic, 2020). Performance contract implementation according to Anwar, (2017) has shown that all activities have a positive effect on an organization wide effect, revenue, and development.

The Results Oriented Management (ROM) approach, which requires operations to be adjusted in response to set objectives, outputs, and results, served as the foundation for this strategy. Therefore, adopting this strategy required a paradigm change within government. In order to achieve "customer satisfaction" and "value for money," the bureaucracy needed to change from one that was passive and an internally focused approach to an outward-oriented one, and results oriented (Hanic & Jevtic, 2020). This

acted as an impartial foundation for divesting loss-making government entities and push them to return capital to shareholders through dividend payments or excess, guarantee that government-owned corporation increase performance to provide high level services, and more.

2.3.3 The effects of setting targets on organizational performance

Setting suitable targets and using appraisals effectively can boost organizational performance and make it easier to gauge how well the staff is doing at work. By establishing clearly defined objectives, staff are better positioned to align their efforts with defined organizational objectives and designated assignments. A clear set of targets with quantifiable performance must be in place in order to monitor and evaluate employees' performance. When workers are involved in targets setting, they are more motivated to reach them and come up with more efficient strategies to do the job. The advantages of setting performance goals involve making sure that every staff input contributes to the institution's objectives, assisting each employee in understanding that is required of them and their feeling of recognition, and developing metrics to gauge the quantity and quality of employees' work so that the organization's performance can be tracked (Hassan, 2019).

The goal-setting theory posits that establishing clear, challenging targets coupled with timely feedback significantly enhances employee task performance, as supported by recent findings from Ahmed and Musyoka (2022). Targets are a key component of managerial control in almost every firm (Lau, Scully, & Lee, 2018). They came to the conclusion that because bonuses are commonly tied to performance goals, targets have a specific significance in the evaluation of performance. Bonuses provide an external incentive for employees to put in more effort, but they can also result in inefficient resource utilization on the part of the company.

Even if employees hit their targets, it's possible that their compensation had a negative effect on the way the company performs. However, establishing targets is crucial for a company. Setting goals is essential for managers in charge of an organization's performance, according to Shang et al (2017). As a result, goals can encourage or discourage employee motivation, which is a key component of management control.

According to Locke and Latham (2022), setting clear, challenging goals remains a powerful driver of employee performance. However, they also note that more research is needed to address the complexities that arise from goal setting, particularly concerning management control, employee motivation, and the financial effects on organizations.

This study concentrated on how establishing targets settings created a worker's path of objectives. Additionally, the study highlighted persistent relationships between targets and organizational performance in cases where setting targets could help organizations constantly improve their performance. Targets settings was used as a decision-making instrument for planning, coordination, and resource allocation in addition to performance evaluation. After surveying managers, Van der Hoek, Groeneveld & Kuipers (2018). found several things regarding goals. Targets setting have various justifications, for one. These justifications comprised practical planning, performance assessment, target setting, and strategy formulation. The research concluded that while these target setting related causes do overlap, they are largely distinct in their own application. Another result confirmed the effectiveness of concentrating on organizational and employee action by setting specific goals aligned with strategic objectives but the targets and the potential applications of the same targets must be carefully considered.

Setting Targets should be seen by organizations as an intense style of administration, to which not all staffs were likely to react favorably. Organizations can use performance management to focus on how well employees, departments, and products perform, while appraisals can include the actions taken to make sure the organization's goals were consistently, successfully, and efficiently achieved. Khan (2018) drew a management principle from the practice of management by objectives, which tried to align managers' personal goals with the organizations in order to improve performance. By employing this technique, goal-oriented management enables an institution to focus its attempt on getting the required results generated by their efforts from their key enterprise areas. It gives managers the chance to work together to identify important key result areas and establish appropriate performance standards to evaluate outcomes.

According to Bakker and Albrecht (2023), involving employees in the goal-setting process enhances engagement, ownership, and the perceived meaningfulness of performance metrics, which fosters a stronger commitment to achieving organizational objectives in the public sector. Similarly, as noted by Kim and Lee (2021), setting clear performance targets in public sector organizations strengthens public accountability by demonstrating responsible and transparent use of public resources. Target setting is crucial for the performance-contracting ecosystem as a whole because it ensured that each employee was given attention, and may also assist in bringing together organizations that was not typically cooperate.

2.3.4 The influence of employee training on organizational performance

Training is a brief process of application-specific learning that aims to increase knowledge or skill and has immediate applications for both the person and the organization. Any learning activity that aims to develop particular knowledge and skills for a job or task falls under this category. enhancing employee effectiveness as a result. The primary objective of every aspect of staff training is to create the best team possible so that the organization can operate effectively and efficiently. Employees require all the competencies and tools required to perform such developments once they have a clear sense of the tasks that must be completed to improve the company. As a result, empowerment training is more corrective and helps individuals become more collaborative and achieve at a higher level (Wood and Bischoff, 2020).

Dognin,& Singh (2019), concluded that a significant effect on the execution of an activity," or improvement in performance (Cooke et al. 2020), and (Wood and Bischoff, 2020) likewise maintain that it." Some researchers have discovered that employee training has a positive effect on organizational performance. Intensifications in total employee productivity may affect, or even more of them, as employers and employees are better able to put forth their best efforts by learning from and helping one another.

Successful training helps to boost employee happiness, which is crucial for achieving corporate goals (Guest, Namey, & Chen, 2020). It also improves the effectiveness of employees' skills and knowledge. A research team's paper on human resource

management that looked at the connection between HR activities and organizational engagement discovered work motivation in Lamba and others (Abdullah & Othman, 2019). While some government organizations have made a concerted effort to retain their workforces over the long term, others have adopted a more lenient approach, placing a higher priority on training than on policies that kept personnel on staff for an extended period of time. The individual now understands the position more thoroughly and is more adept at doing the duty. To achieve its overriding objective of performance development, training must advance professional knowledge, cognition, and competencies at both the individual and group levels. It should also prepare government workers for the best manner to deal with emerging challenges (Cooke et al. 2020),

Training ought to place more of a focus on doing than just knowing. By giving employees the skills and information, they need, training enables them to accomplish the goals outlined in the Performance Contract. It is predicated on the idea that everyone has the potential to learn more and perform their jobs more effectively. Personal development plans are crucial because they offer a learning activity that people are in charge of, with the help of their supervisors. Long used by high achieving organizations, well-targeted training helps fill in skill or knowledge gaps that were crucial to their ability to perform. Recent studies show that while staff training significantly enhances productivity, the improvements are even greater when training is complemented by supportive changes in the working environment (Barba-Sánchez, Atienza-Sahuquillo, & Ortiz-García, 2022).

Increasing knowledge and skills as well as changing attitudes or behavior are the main objectives of training. It is one of the most important possible motivators and provides a variety of promising advantages for both individuals and the organization. Due to the rapidly changing nature of technology, employees must possess the information, abilities, and skills required to deal with new manufacturing processes and procedures. The organizational structure and training environment were examined by Derrick, DeLong, and Myers (2021), who focused on how internal political and cultural issues affected training and development.

According to recent research, many new employees possess a foundational set of knowledge, skills, and attitudes necessary to begin work; however, some require comprehensive training to contribute effectively to organizational performance (Park & Jacobs, 2023). To maintain high organizational performance, ongoing employee training remains essential at various stages of employment. Several empirical studies conducted globally, regionally, and locally support this view. For instance, Malik, Basharat, and Ullah (2021) examined training practices in Pakistan's telecommunication sector and found that enhancing employee competencies significantly improves organizational performance. Similarly, Sharma and Singh (2022) confirmed this relationship within the hospitality industry in India.

Recent research continues to affirm that training practices significantly enhance employees' functionality and competencies, resulting in greater individual performance and improved organizational outcomes. For instance, Mhlanga and Steenkamp (2022) found in their study on workforce development in South Africa that effective training initiatives positively influence employee competencies and organizational functionality. Moreover, contemporary studies, such as those by Hassan, Nisar, and Nasir (2022), emphasize that training and development are critical strategic tools for achieving organizational objectives and improving productivity. Successful project completion is closely tied to identifying training needs, designing and implementing appropriate programs, ensuring transfer of training to the workplace, and evaluating program benefits. In addition, Owusu-Acheampong (2021) affirmed that a significant positive relationship exists between training interventions and workers outputs, where training improves competencies, knowledge, skills, behavior, and overall ability.

Recent research continues to demonstrate that training and human resource development significantly enhance employee productivity and organizational performance. For instance, Akinbode and Igbinoba (2022) conducted a study in Nigeria using Access Bank PLC as a case study to assess the effects of training initiatives on workforce productivity and organizational outcomes. Using a simple random sampling technique, 80 participants completed standardized questionnaires, and data were analyzed using descriptive statistics. The findings revealed that 72% of respondents agreed that training and human resource development improved their

individual effectiveness, while 81% agreed that these interventions enhanced organizational performance through capacity building. These results suggest that training is a crucial factor for enhancing organizational performance by strengthening both individual and organizational competencies. It also helps bridge the gap between expected and actual performance outcomes. However, the study acknowledged a research gap, noting that while the link between training and employee productivity was established, deeper insights into long-term organizational sustainability were not fully explored (Kariuki & Kiambati, 2021).

2.3.5 The effects of performance appraisal on organizational performance

Performance appraisals are systematic procedures used to evaluate employee performance regularly (Nguyen & Zhang, 2022). An effective appraisal system is essential for improving performance, identifying training needs, managing careers, determining compensation levels, and meeting legal requirements. Appraisals involve the assessment of an employee's accomplishments and areas for improvement, alongside decisions about eligibility for future training and promotions (LópezCabarcos, 2021). Appraisals are critical in employee performance management; when implemented effectively, they not only help employees set meaningful goals but also enhance their self-confidence and motivation (Wright & Nishii, 2022).

Performance appraisals are widely recognized as the most effective method for tracking employee performance (Rashid & Al-Dabbagh, 2022). Through regular performance evaluations, employers can assess an employee's level of success and contribution to organizational goals. It is essential for employees to understand what is expected of them and what outcomes to anticipate upon completing tasks. Additionally, it is crucial for management to clearly communicate these expectations. Employees must also trust that their efforts will be fairly evaluated and that their performance will be recognized with appropriate rewards if they meet organizational standards (Morris & Menzies, 2023). When employees have confidence in the appraisal process, knowing that meeting expectations will lead to desired outcomes, they are more likely to remain motivated and engaged (Kim & Park, 2021).

According to Malik, Kehoe, and Wang (2023), the performance review process offers employees a structured opportunity to receive meaningful feedback on their work and areas for potential growth.

Structured performance evaluations, aligned with the organization's mission and purpose, help minimize unconscious biases and subjective perceptions. Today, sophisticated technologies for performance evaluation such as online rating systems, development plans, and 360-degree feedback are increasingly prevalent across organizations of all sizes.

Reliable and accurate performance reviews allow organizations to identify and reward their most talented employees (Nguyen, Do, & Kim, 2022). When integrated with performance improvement tools, systematic assessment processes can reorient employees who are not meeting expectations and support the creation of career development plans for all staff. Effective performance appraisal systems guide both employees and managers toward specific growth objectives, enhancing fairness and transparency throughout the evaluation process. They ensure that workers receive honest and actionable feedback while protecting both employees and the organization from potential bias. Key factors often considered in appraisals include deviation from performance norms, tracking past accomplishments, and measuring input and output.

Unlike broader performance management systems, performance appraisal is specifically designed to evaluate individual employee success (Jackson, Schuler, & Jiang, 2023). Initially conceived as a measurement tool, performance appraisal has evolved to emphasize employee development within organizations. Albrecht, Breidahl, and Marty (2023) highlight that effective performance development practices are linked to overall company growth, customer satisfaction, and a culture of continuous improvement.

Since organizational goals and individual employee needs are inherently interdependent, the purpose of appraisals must simultaneously address both dimensions (Locke & Latham, 2022). Setting goals is effective as long as employees accept them, and it is a visible process that is essential to involvement in performance reviews Murphy, K. R. (2020). Goals can generally be categorized into four groups:

performance goals, interpersonal goals, strategic goals, and internalization goals, each playing a critical role in guiding organizational and individual behavior (Pieterse, Van Knippenberg, & Kark, 2022). The participant may be linked to several of these objective categories in performance evaluations. The manager and their subordinates concentrate on the same objectives as part of the fundamental performance appraisal strategy. Appraisal focuses on what has been achieved and what needs to be done to improve it. It should be used to help clarify what an organization can do to meet the training and development needs of its employees.

According to Brown, Martin-Rios, and Peverelli (2022), the purpose of a performance appraisal is to facilitate effective communication between managers and employees, offering both parties a clear understanding based on four main elements: the work performed, the standards for evaluating achievement, the objectives of the appraisal exercise, and the procedures for informing employees about their performance expectations. Scholars in human resource management have proposed several indicators for gauging employee success, such as the percentage of output requiring rework or rejection to assess quality, and the number of loyal customers and customer feedback as indicators of customer satisfaction.

Furthermore, timeliness is assessed by how quickly an employee completes assigned tasks, absenteeism and tardiness are monitored to capture work attendance, and achievement of objectives is evaluated based on an employee's ability to meet or exceed established benchmarks. Challenges to the appraisal process identified by Kakar, Khan, and Hashmi (2022) Challenges include Intensified procedural formalities, insufficient managerial devotion, conflicts in assessing training and development requirements and distributing incentives, judgment biases, and limited engagement in the appraisal system.

2.4 Research Gap

Reversing efficiency decline while guaranteeing the proper allocation of resources concentrated on achieving the Government's key national policy priorities are among the core objectives of implementing performance contracts in the public sector. Additionally, performance contracts aim to institutionalize a performance-oriented culture within the civil service through the establishment of an objective-based

performance evaluation system (Muthoni & Odhiambo, 2022). Earlier studies on performance contracts primarily focused on their implementation process within national government institutions (Ochieng & Kisavi, 2023).

Several studies have explored the broader influence of performance contracts within government owned corporations (Njoki & Muturi, 2023). Notwithstanding, most of the existing research is concentrated at the national level, with very limited data available for devolved units such as County Governments. This presents a significant knowledge gap regarding the connection between performance contracting and organizational output in County Governments. Specifically, there is insufficient empirical evidence to determine whether performance contracting directly contributes to improved service delivery, operational efficiency, and institutional accountability in devolved public sector institutions.

2.5 Conceptual Framework

A conceptual framework provides a structured way to define and explain the key concepts in a study, clarifying how they are measured or understood within the research context. It essentially describes what each concept means and how it relates to measurable outcomes (Bloomberg & Volpe, 2022). Independent variables are those that the researcher systematically varies. The values of dependent variables, on the other hand, are variables that are thought to be influenced by the effects of the independent variables. Effective public servants, personnel development, and service delivery are considered independent variables in the conceptual framework for this study. Performance contracting's consequences are the reliant on variable. The relationship between performance contracting and enhanced organization performance is moderated by Leadership, Personal and System. These relationships are represented and operationalized in Figure 2.1.

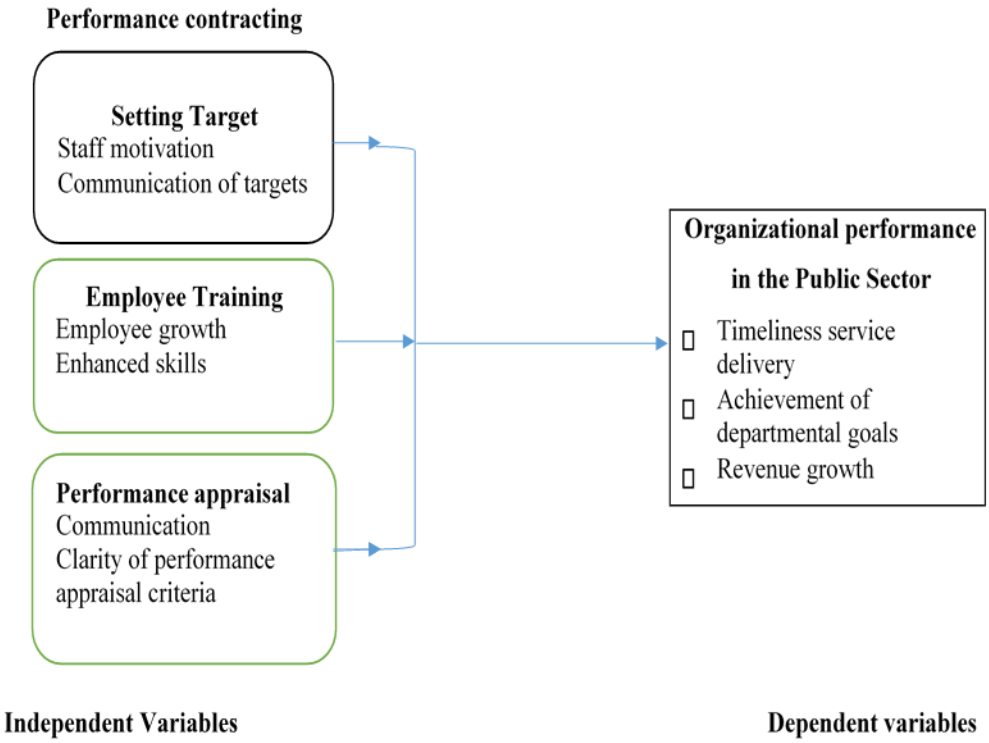

Figure 2.1: Conceptual Framework

2.6 Chapter Summary

While global and regional studrickerties demonstrate that performance contracting enhances public sector performance, much of the existing literature has focused predominantly on national government institutions and state corporations. Little attention has been given to the unique environment of County Governments, which operate under devolved systems with distinct challenges and dynamics. Specifically, there is a lack of empirical evidence examining whether at the county level in Kenya, performance contracting has been shown to boost organizational effectiveness in Kenya. This research, therefore, aims to bridge the existing gap by assessing the influence of performance contracts on organizational performance within County Governments, providing critical insights that can inform policy and practice at the devolved level.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

The research design, the study's location, variables, the research target population, the sampling technique, sample size, research instruments, a pilot study, the validity and reliability of the data instruments, data collection methods, data analysis techniques, and moral concerns are highlighted in this chapter.

3.2 Research Design

A research design refers to the overall strategy chosen to integrate different components of the study in a coherent and logical way, ensuring that the research problem is effectively addressed. It includes the blueprint for the collection, measurement, and analysis of data (Omariba, 2023). This study employed a mixed methods research design, combining both quantitative and qualitative approaches to gather comprehensive data and address the limitations of each method individually. This design was chosen because it allows for an in-depth examination of the context-specific dynamics, strategies, and outcomes of performance contracting within a single public sector entity. Researchers collected and analyzed both types of data concurrently to enhance the depth and reliability of the findings. Specifically, a descriptive research design was utilized to examine the staffing levels across departments, the types of performance contracting systems in place, and the connection between performance contracting and organizational productivity in the institution under study.

Descriptive studies are used to accurately depict the characteristics of a specific population or situation, providing detailed, factual information necessary for drawing valid conclusions

(Saunders, Lewis, & Thornhill, 2022). Given the study’s objectives, survey methods were employed for data collection, using questionnaires for quantitative data and unstructured questions for qualitative insights.

The use of a mixed methods approach was essential for triangulation, ensuring the robustness of the results through the integration of different data sources (Creswell & Creswell, 2022).

3.3 Target Population

The population of interest is selected as per County Government Human Resource Management Data Base (2020). Murang'a County Government was purposively selected as the study area due to its proactive adoption of performance contracting, making it a relevant case for examining the impact on organizational performance. Located in Central Kenya, Murang'a represents a county with a blend of urban and rural characteristics, facing typical public sector challenges like resource allocation and service delivery pressures. Studying this context can yield insights applicable to similar counties in Kenya. The particular population from which data is needed is known as the target population in statistics. According to Creswell and Creswell (2022), the target population is a collection of all instances that fall under a particular set of criteria, from which the research extrapolates its conclusions. The ten county government departments made up the study's participants. Employees at management, supervisory, and subordinate levels in the 10 county government ministries make up the study's target group.

Table 3.1: Target Population

Levels	Population	Population percentage
Management	389	11%
Supervisors	1167	33%
Subordinate	1944	56%
TOTAL	**3500**	**100%**

Table 3.1 shows the target population of the study which is 3500. The target population is selected as per County Government Human Resource Management Data Base (2020)

3.4 Sampling

As described by Ndikaru (2020) sampling is the process of selecting a subset of the target population which will be involved in data collection for a research. The subset usually acts as a representative of the targeted population under study (McEwan, 2020). In this study, was defined as the process of selecting the schools, form and streams from the targeted population that participated as informants of the study.

3.4.1 Sampling Techniques

Any process that derives conclusions from the measurement of a subset of the population is considered sampling Taherdoost (2016). According to Alvi (2016), a sample refers to the group of respondents chosen to represent the whole population. Sampling, on the other hand, is the methodological process of selecting an appropriate subset of the population to estimate the characteristics of the whole group.

3.4.1.1 Stratified Sampling

In this study, a stratified random sampling was used where the population was first stratified into three levels, i.e, senior management, supervisory and surbodinate. From each stratum, simple random sampling was used to select respondents ensuring representativeness.

According to Omariba (2023), stratified random sampling involves dividing a population into distinct subgroups (strata) based on shared characteristics before randomly selecting participants from each stratum. This technique enhances the statistical representation of the sample, ensures the inclusion of key subpopulations, and improves the overall precision of the results. Similarly, Creswell and Creswell (2022) emphasize that stratified sampling reduces sampling error by controlling for variability within each stratum, leading to more accurate estimates of population parameters.

3.4.1.2 Purposive Sampling

Purposive Sampling is a non-probabilistic sampling method as (Omariba, 2024: Berndt .2020) described it. According to Lohr,(2021) it involves selecting of a sample basing on the researchers convenience. Purposive sampling in this study was used to select the employees at management, supervisory, and subordinate levels in the 10

county government ministries make up the study's target group in the County who were involved in data collection for this research. Similarly, other researchers such as that done by Munna & Kalam (2021) and Fatah & Zumrotun (2023) employed purposive sampling which justifies it as a good and acceptable sampling technique.

3.4.1.3 Sampling Procedure

The researcher can categorize population subjects into strata using the stratified random sampling technique Alvi (2016). Omariba (2023) states that each group of employees was a stratum. Therefore, there were three strata for the researcher. The researcher employed a proportionate technique to determine the sample size from each stratum, multiplying the ratio of the number of workers in each stratum to the total target population. Because each stratum's population is homogeneous, the resulting respondents from each stratum was subjected to a straight forward random sample approach. The results were generalized because the respondents' chosen sample was representative of the entire population.

3.4.1.4 Sample size

The number of items that must be chosen from the population to form a sample is referred to as the sample size Creswell and Creswell (2022). By creating a sampling frame that lists all the population units that were utilized to obtain the sample, Asiamah, Mensah, and Abayie (2017) and Omariba (2023) emphasize the significance of choosing a representative sample. The sample size was calculated using the formula by Yamane (1973) that is recommended for random sample as below:

$n = N/ (1+Ne^2)$ where, n is size of sample, N is population of sample, and e^2 is probability of error.

N So, the sample size for the study has been calculated according to the recommendation as follows: $n = N/ (1+Ne^2)$

$n = 3500/ \{1+3500(0.05)^2 \} = 358$

With N =3500, e=5% (at 95% confidence level), hence the Sample size is 358

Table 3.2: Sampling Grid

	Target Population	Sample Size	Sample Percentage
Senior Management level	389	40	11%
Supervisory level	1167	119	33%
Subordinate level	1944	199	56%
Total	**3500**	**358**	**100%**

Source: Murang'a County Government (2021)

The target population under the study is 3,500 employees from the county government of Muranga and using the above formula, the estimated sample size is 358 employees. The 358 employees were stratified into three categories Senior Management, Supervisors and Subordinates then random sampling selection was used in the selection of the respondents. From the Human Resource Management Data Base (2021) employee ratio in the category of management, supervisors and subordinates was 1:3:5. In this scenario, there was an equal chance (probability) for each employee to be chosen to participation in the study.

3.5 Research Instruments

This research used data from both primary and secondary sources. Primary sources included questionnaire. Primary data collected by use of unstructured questionnaires which were to be filled by personnel in the ten ministries of the county government and documentary analysis for secondary data.

3.5.1 Questionnaires

According to Taherdoost (2016) and Omariba (2023), a questionnaire can be open-ended, consisting of direct questions to elicit factual data, or open ended, giving the researcher more freedom to ask questions in an indirect way or probe for answers. Section A of the questionnaire contained general information, Section B covered performance contracts, and Section C covered organizational performance.

In this research, the data collection tool was an unstructured questionnaire. After formulating the research questions, data was gathered using quantitative method by

use of questionnaires which also contained open ended questions to gather qualitative data.

The questionnaires were divided into two categories for the supervisors and the subordinate levels. The questions were in line with the objectives of the study. The study focused on the difficulties of performance contracting on organizational performance, the effects of performance contracting on organizational performance with focusing on the County Government, specifically examining the effects of employee training on institution performance and the extent to which performance appraisals influence overall performance outcomes.

3.5.2 Documentary Analysis

In addition to administering structured questionnaires to collect primary data, this study employed documentary analysis as a secondary data source. Documentary analysis is a research method used to systematically analyze and interpret existing documents, reports, or other written materials to gather data that can inform a study. It involves a detailed examination of various written sources, including organizational reports, strategic plans, official documents, and other relevant materials that are already available in the public domain (Bowen, 2020). This method provides valuable insights by utilizing information that has already been collected and analyzed by others, enabling researcher to examine data from a secondary source to support or compare with primary data.

The purpose of including documentary analysis was to triangulate findings obtained from the primary data from the questionnaire. These documents provide contextual and historical insights that either supported or challenged the trends observed in the primary data.

In the context of this study, documentary analysis was employed as a secondary data collection method to explore how performance contracts influence organizational performance within County Governments. The study used a variety of written documents, including official reports, the County Government's annual performance reviews, county strategic plans, and other publicly available records, as primary sources for gathering relevant secondary data and progress assessments of the county's Vision 2030 alignment provided insight into how performance contracts were integrated into the county's operational and strategic framework. These documents

were critical in understanding how the performance contracting system has been implemented, the specific targets and benchmarks set within the County Government, and the overall outcomes achieved from such initiatives. By examining these reports, the study was able to identify trends in performance indicators such as service delivery efficiency, resource utilization, and employee growth linked to the performance contracts.

In addition, the County Strategic Plan, available online, provided a structured and comprehensive view of the county's long-term goals and the role of performance contracts in achieving these goals. The plan outlined specific objectives that performance contracts aimed to address, such as improving public sector service delivery and enhancing accountability in county operations. By analyzing this document, the study was able to assess whether the performance contracts were aligned with the county's broader strategic goals and how effectively they contributed to these goals.

Moreover, online resources such as reports, presentations, and policy briefs available on the county government's official website were consulted. These sources offered up-to-date information on the status and effects of performance contracts within the county government. The online materials helped fill gaps left by other forms of data collection and provided an additional layer of analysis through publicly accessible documents, contributing to the overall depth of the study.

By using documentary analysis, this study was able to gather secondary data was used to triangulate the primary data collected, ensuring that existing materials were fully utilized to explore the relationship between performance contracting and organizational performance in the County Government. This method was particularly effective in providing context and background for the research questions, allowing for a broader understanding of how performance contracts are integrated into the county's administration and how they effects organizational outcomes. In addition, this multi-source approach strengthened the validity and reliability of the study's conclusions regarding the influence of performance contracting on organizational performance.

3.6 Piloting

A pilot test, as described by Mertens (2020), was conducted to identify design and instrumentation flaws as well as to offer proxies for sample selection. A random sample of the personnel was used, as suggested by Silverman (2020). The pre-testing of the questionnaire followed the exact same procedures as the actual study or data collection. The selection of 5 respondents was informed by Creswell & Creswell (2022). According to scholars who recommend that the pilot test sample should constitute 10% of the total sample size, the selected pilot group was determined based on this guideline. That the sample size for 350 was then 10% which translated to 35 participants. 35 respondents therefore participated in a pilot study of the questionnaires. Following the pre-test, the researcher modified the survey in order to comply with Malmqvist (2019). After the pre-test, the researcher made changes to the questionnaire in an effort to solve any problems that might occur as a result of the procedure, such as improving the questions' ability to be understood.

Conducting the pilot study in a different area ensured that respondents in the main study were not familiar with the research instruments, thereby minimizing response bias and improving the credibility of the study findings. Saunders, Lewis & Thornhill (2019). The pilot study was conducted in a different area from the main study in order to avoid respondent contamination and enhance the validity of the research findings. Specifically, the pilot study was carried out in selected departments of a neighboring county government that shares similar administrative, organizational, and operational characteristics with Murang'a County Government

3.6.1 Validity of instruments

Validity is the extent to which data analysis results accurately reflect the phenomenon being studied, whereas reliability is the extent to which an experiment, test, or any measuring process consistently produces identical outcomes over time. (Taherdoost, 2016). Definition of specific terms, sampling the field of the particular data that the questions were considered representative of and evaluating the content's effectiveness, the study accomplished content validity. Additionally, experts with expertise provided the research tool to evaluate each questionnaire item. To make sure that the surveys are written in straightforward terms that respondents can understand and to check the clarity of the questions, the researcher used a content validity test. This was achieved

by consulting the supervisor as the expert. Content validity was applied in evaluating extent to which data gathered represent a particular area or content of an actual concept (Omariba, 2023).

The triangulation technique was also used to assess the reliability of the devices. Ashour (2018). Research is made stronger through triangulation, which combines multiple methods. This might involve applying a range of methodologies or data, including both quantitative and qualitative approaches. Triangulation involves using multiple data sources, analyzing the evidence from those sources, and using that evidence to develop a convincing argument for a topic. (Creswell and Creswell, 2022).

3.6.1.1 Construct validity

Construct validity, according to Creswell and Creswell (2022) and Omariba (2023), refers to how well a test or measurement captures the intended outcome. In this study, it's crucial to operationalize concepts into specific, quantifiable traits based on the dimensions of performance contracting.

3.6.1.2 Content Validity

Omariba (2023) evaluates content validity as how well an instrument covers all relevant parts of the construct it aims to measure. In this study it was used to assesses whether a test is representative of all levels of employees and this was a good indicator of whether the desired results were measured.

3.6.2 Reliability of the Instruments

The capacity of a research tool to produce consistent results when data is gathered from the same respondents more than once is known as reliability (Tavakol & Dennick, 2017). It shows how biased (error-free) it is, ensuring that measurements were consistent over time and across the different research instrument items. (Mohajan, 2018). The measurement tool is reliable when the outcomes of the measurement procedure were repeatable. According to a common definition, reliability refers to how error-free measurement findings were producing reliable results. To increase the instrument's dependability, the expert did a pilot test. The instruments were then analyzed using the Cronbach Alpha coefficient to determine the extent of reliability and the result was 0.7 which justified the reliability of the instrument.

3.7. Data collection procedures

The information was gathered using a unstructured questionnaire. A questionnaire was the most often used method of data collection since it is straightforward to make and utilize. It also provides an approach that is rather straightforward and direct for assessing attitudes, values, beliefs, and motivations. A letter of introduction describing how the data gathered was only be used for academic purposes included with the questionnaire. The use of questionnaires is encouraged since they ensure a high response rate since respondents received them for completion and the researcher compiled the results. Additionally, because identities were not required on completed questionnaires, they were easier to administer and may yield more accurate results.

3.8 Data Analyses

Omariba (2023) defines data analysis technique as the examination of information gathered during a study project and the drawing of conclusions and inferences. The collected survey forms were reviewed for accuracy and uniformity before processing the answers. The information was then categorized, allowing the answers to be categorized into different groups. A combination of quantitative and qualitative techniques was employed to analyze the collected data. The information was then displayed using a description, along with working percentages, graphs, pie charts, and other techniques. This research utilized data analysis tools, including SPSS Version 23, to process and interpret the data. Where the data was keyed in and the response on each item for the openended questions was put into specific main theme for ease of analysis.

Descriptive analysis methods were applied to examine the statistical data. Additionally, assessment methods were applied to make judgments about any links discovered in the research findings. The link between the independent and dependent variables, as well as the degree to which the independent and dependent variables influence one another, were established. The Likert scales was used to analyze the mean score and standard deviation, that assisted the researcher in investigating the degree to what extent institution performance is influenced by performance contracting,

3.9 Logistics and ethical consideration

Ethical problems were taken into account in this study. The researcher handled the material with the utmost propriety because part of it is sensitive. The highest ethical standards must be followed when doing research involving individuals, according to the International Development Research Centre (IDRC). The core goals of IDRC's ethical conduct guidelines are the protection, respect, and justice of study participants. These particular worries were heightened in the COVID-19 pandemic scenario, while also taking researcher safety into account.

3.9.1 Ethical issues related to the researcher

Ethics is a branch of research that encompasses with moral values which directs one comportment (Creswell and Creswell 2022). It emphasized that a researcher did not refer to another person's work without acknowledging or giving false methodology and results

3.9.2 Ethical Issues on the subjects

The National Council for Science and Technology received the application from the researcher for the license. A thorough project proposal that includes information on the objectives, research questions, literature evaluation, methodology, and anticipated applications of the research findings must be submitted with the application along with a letter from the sponsor. The researcher must submit two copies of the research reports to the National Council for Science and Technology after the research is finished and finalized.

3.10 Chapter Summary

This chapter presented the research methodology adopted to examine the effects of performance contracting on organizational performance in the public sector. It outlined research designs, target population, sampling procedures and data collection methods with emphasis on development and administration of the questionnaire as the primary research instrument, the procedures for ensuring validity and reliability were discussed, including expert review to enhance content validity to assess internal consistency. Ethical considerations were detailed highlighting voluntary participation, informed consent, confidentiality and adherence to institutional and national research

guidelines. The methodological framework established in this chapter provides the foundation for the data analysis and interpretation presented in the subsequent chapter.

CHAPTER FOUR
RESULTS AND DISCUSSION

4.1 Introduction

This section provides an overview of the key results obtained from the research in line with the research objectives and outlines the findings derived from the analysis of data collected through questionnaires measuring the effects of performance contracting on organizational performance in the public sector in county government, Kenya.

The contents of the chapter include the analysis on study response, findings on respondents' demographics, analysis on study objectives and analysis.

4.2 Demographic data of the respondents

This section provides an overview of the demographic characteristics of respondents involved in a survey conducted within Murang'a County Government.

4.2.1. Response Rate

A total of 358 questionnaires were distributed to respondents from various levels within Murang'a County Government, including Senior Management, Supervisory, and Technical/Support levels.

Table 4.1: Response rate of the study

Category	Issued	Returned	Response Rate (%)
Senior Management level	40	33	82.5
Supervisory level	119	102	85.7
Technical/Support level	199	177	89
Total	358	312	87

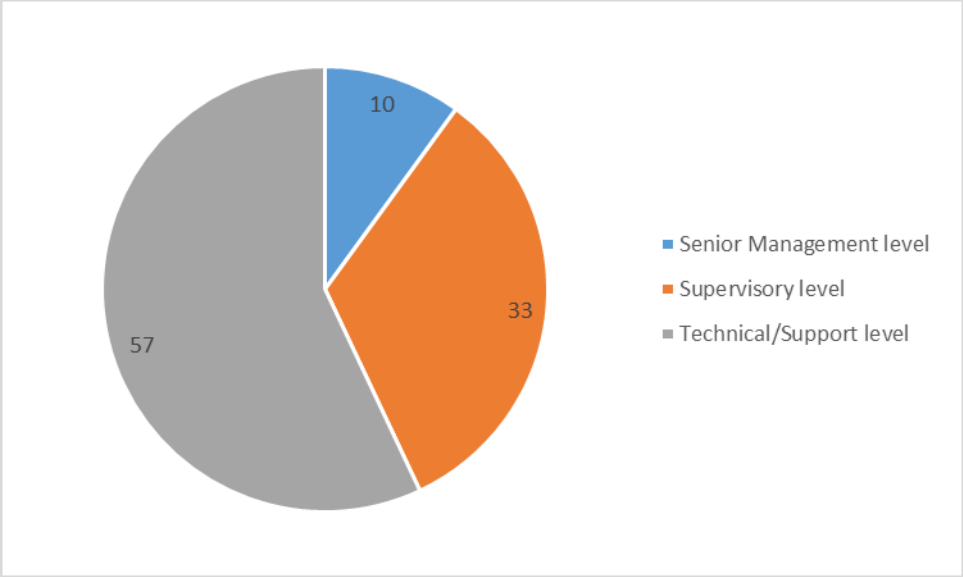

Figure 4.1. Response rate of the study

According to Table 4.1, out of 358 respondents, 312 returned the questionnaire, yielding a response rate of 87%. Babbie (2020) indicates that a response rate over 50% is considered adequate, 60% is good, and over 70% is very good, highlighting the importance of response rates in survey quality. Therefore, this high response rate is considered appropriate for data analysis and discussion in this study. It enhances the reliability of the findings, particularly given that the research was conducted with a 5% margin of error.

Table 4.2: Reliability Test Results for Study Variables

Variable	Number of Items	Cronbach's Alpha (α)	Recommended Cut-off	Remark
Target Setting	6	0.821	0.7	Reliable
Training	5	0.784	0.7	Reliable
Performance Appraisal	7	0.853	0.7	Reliable
Organizational Performance	6	0.802	0.7	Reliable

The reliability of the research instrument was assessed using Cronbach's Alpha coefficient. As shown in the Table above. All study variables recorded Cronbach's

Alpha coefficients above the recommended threshold of 0.7. This indicates that the research instruments demonstrated satisfactory internal consistency and were therefore reliable for data collection. A Cronbach's Alpha coefficient of 0.7 and above is considered acceptable for social science research, as it reflects adequate internal consistency among measurement items (Field, 2018).

4.2.2. Distribution of respondents based on gender

These descriptive analyses provide a clear overview of the demographic distribution and characteristics of the surveyed population as follows:

Table 4.3: distribution of respondents based on gender

Gender	Count	Percentage (%)
Male	211	67.6
Female	101	32.4

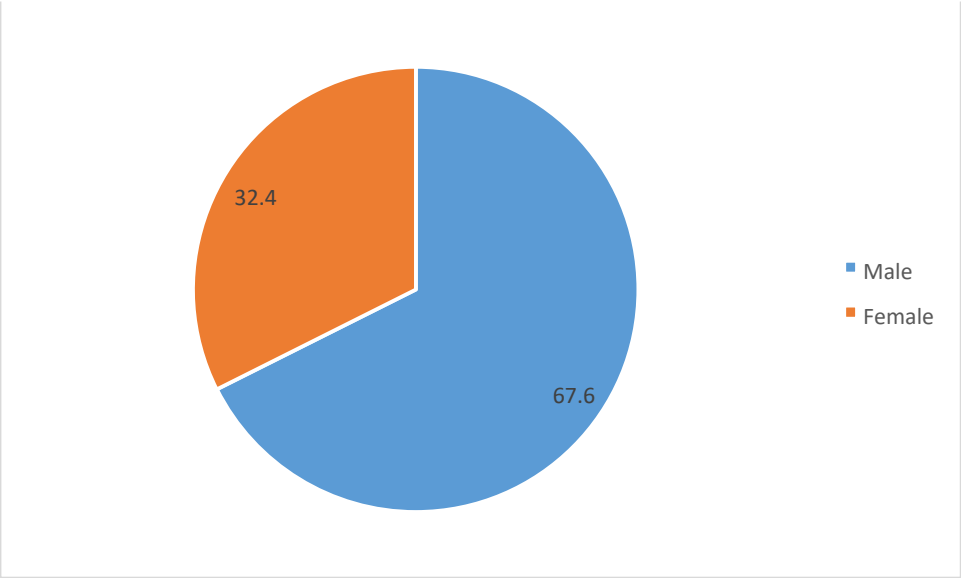

Figure 4.2 distribution of respondents based on gender

The Table 4.2 above shows the distribution of respondents based on gender. Out of the 312 respondents, 211 (67.6%) were male, and 101 (32.4%) were female.

According to the gender rule in Kenya, which mandates that no more than two-thirds of any appointed body should be of the same gender Akala, & Sing (2024), this distribution reflects a notable gender disparity among the respondents. The gender rule aims to promote gender equity and ensure fair representation.

4.2.3. Distribution of respondents by age

This section provides an overview of the age distribution among respondents involved in the survey conducted within Murang'a County Government.

Table 4.4 Distribution of Respondents by Age

Age Group	Count	Percentage (%)
Below 25 years	42	13.5
25 – 35 years	113	36.3
36 – 45 years	84	27.0
46 – 55 years	41	13.2
Above 55 years	32	10.3

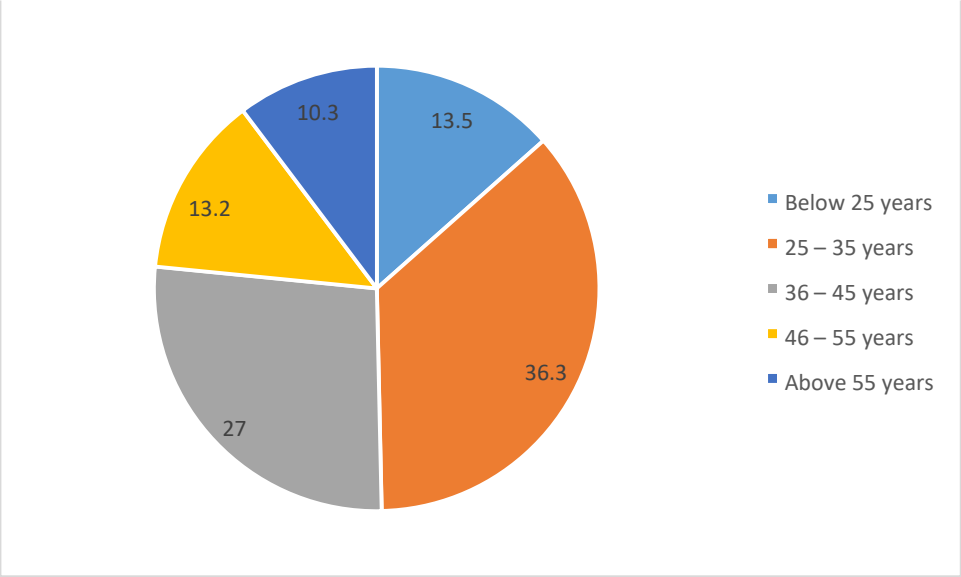

Figure 4.3 Distribution of Respondents by Age

Table 4.3 above presents the age distribution of the survey participants. It indicates that the majority of respondents were aged between 25 and 35 years, with 113

individuals (36.3%) falling into this category. This suggests that the survey predominantly captured the views and experiences of the youthful and working population Berger & Mongey (2022. This demographic is likely to be at the beginning of their careers or recently integrated into the workforce, providing valuable insights into the perspectives and challenges faced by young professionals in today's labor market.

4.2.4. Education Background

This section outlines the educational qualifications and backgrounds of respondents who participated in the survey conducted within Murang'a County Government.

Table 4.5: Education Background

Education Level	Count	Percentage (%)
Certificate	31	10.0
Ordinary Diploma	70	22.5
Higher Diploma	19	6.1
Bachelor's Degree	170	54.5
Master's Degree	23	7.4
PhD	1	0.3

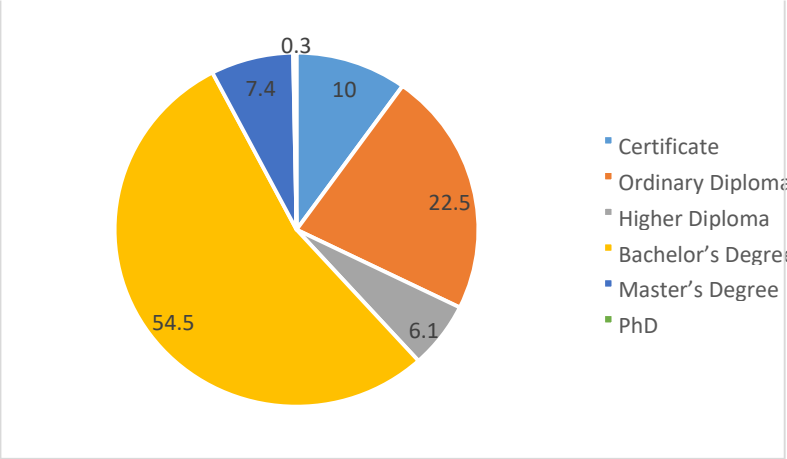

Figure 4.4 Education Background

Table 4.4 details the educational qualifications of the survey respondents. The data shows that the majority, 170 individuals (54.5%), held a Bachelor's Degree. This indicates that the survey largely captured the perspectives of those with a significant level of formal education. Specifically, 31 respondents (10.0%) had a Certificate, 70 (22.5%) had an Ordinary Diploma, 19 (6.1%) had a Higher Diploma, 23 (7.4%) had a Master's Degree, and 1 respondent (0.3%) had a PhD. The prevalence of respondents with a Bachelor's Degree or higher suggests that the findings of the survey may be particularly reflective of the viewpoints and experiences of a well-educated group.

4.2.5. Years Worked in Murang'a County Government

This section examines the tenure and experience levels of respondents within Murang'a County Government. It provides an overview of the distribution of respondents based on the duration of their employment within the government sector.

Table 4.6: Years Worked in Murang'a County Government:

Tenure	Count	Percentage (%)
Less than 5 years	94	30.2
5 years and above	218	69.8

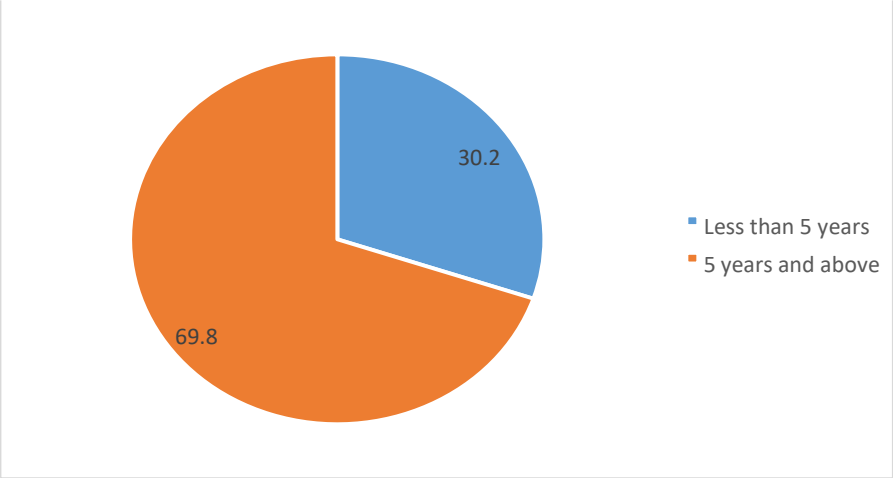

Figure 4.5 Years Worked in Murang'a County Government

Table 4.5 presents the tenure of respondents in their roles at Murang'a County Government. It shows that 218 respondents (69.8%) had been employed for 5 years or more, indicating a substantial proportion of long-term employees. This suggests that the survey mainly captured the viewpoints and experiences of these more established employees within the county government. Their extended tenure suggests they may have a deeper understanding of organizational dynamics and challenges. Recognizing this tenure distribution is essential for interpreting how the survey findings reflect the perspectives of experienced staff members in the county government.

4.3. Target setting and organizational performance

This section explores how target setting affects organizational performance within the context of Murang'a County Government.

4.3.1. Target Setting on Organizational Performance

This section investigates how the process of setting clear and measurable targets affects the performance outcomes within Murang'a County Government.

Table 4.7: Target Setting on Organizational Performance

Response	Count	Percentage (%)
Yes	248	79.5
No	64	20.5

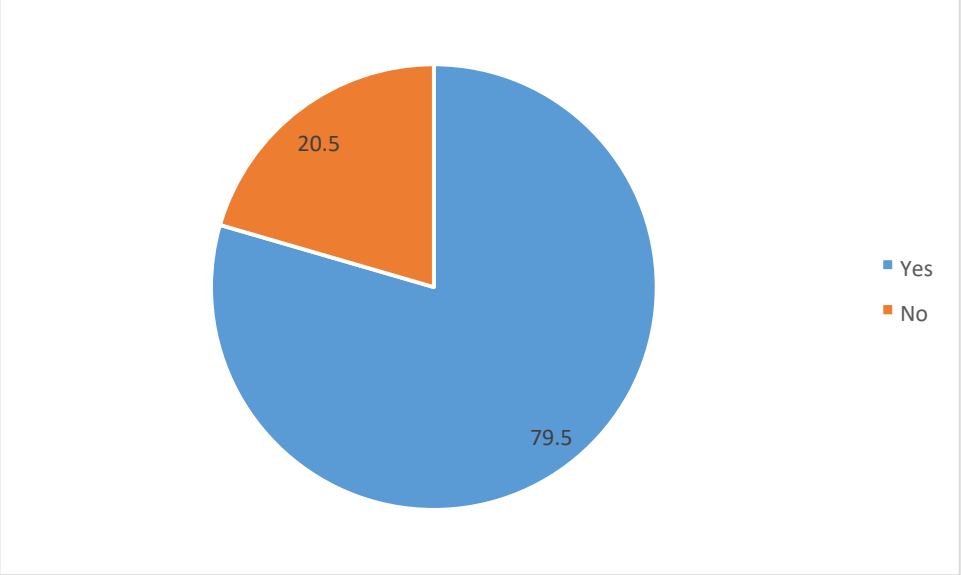

Figure 4.6 Target Setting on Organizational Performance

Target setting significantly influences organizational performance within Murang'a County Government, as indicated by survey responses in Table 4.6. A substantial majority (79.5%) of respondents believe that target setting positively affects organizational outcomes, emphasizing its role in enhancing productivity and aligning efforts with strategic goals. This endorsement highlights the benefits of clear goal-setting in motivating employees and improving resource allocation. However, a minority (20.5%) expressed reservations, suggesting challenges in how targets were perceived or implemented.

The results show that target setting has a positive effect on organizational performance in Murang'a County Government. Therefore, the study concluded that addressing these concerns is crucial for ensuring that target setting practices contribute effectively to organizational performance by fostering clarity, alignment, and continuous improvement.

Research consistently shows that setting clear and achievable targets, along with effective use of performance appraisals, significantly improves organizational performance. Clear objectives help align employees with corporate goals, fostering accountability and motivation (Hassan, 2019). Engaging employees in target setting promotes innovation and efficiency in task completion (Aranda, Arellano & Davila, 2023). Quantifiable targets facilitate continuous performance evaluation, providing

timely feedback for improvement and development (Karam et al (2017). They also serve as critical tools for managerial control, aiding in decision-making and resource allocation (Van der Hoek, Groeneveld & Kuipers, 2018). Challenges such as ensuring fairness and avoiding unintended consequences require careful consideration to maximize the benefits of these practices (Bloom et al., 2021). In the public sector, effective target setting demonstrates accountability and efficient use of resources, enhancing organizational effectiveness (Goh, 2018).

4.3.2. Target setting factors on organizational performance

This section evaluates the effects of different target setting factors on organizational performance based on responses from survey participants.

Table 4.8: Target setting factors on organizational performance

Target Setting Factors	Nil effect	Least effect	Great effect	Greater effect	Greatest effect
Type and amount of resources set aside	0 (0.0%)	13 (4.2%)	222 (71.3%)	64 (20.6%)	13 (4.2%)
Time limit for organizational goal	0 (0.0%)	34 (10.9%)	214 (68.8%)	53 (17.0%)	11 (3.5%)
Having specific goals	0 (0.0%)	0 (0.0%)	215 (69.1%)	76 (24.4%)	21 (6.8%)
Realistic deadlines to finish the task	0 (0.0%)	0 (0.0%)	221 (71.0%)	79 (25.4%)	12 (3.9%)
Setting manageable	0 (0.0%)	11 (3.5%)	199 (63.9%)	79 (25.4%)	23 (7.4%)

The Table 4.9 above presents an analysis of various target setting factors and their perceived effects on organizational performance, as rated by respondents. Each factor was evaluated on a scale ranging from "Nil effect" to "Greatest effect," providing insights into their significance in driving organizational performance.

According to the survey findings, the type and amount of resources allocated were overwhelmingly viewed as crucial, with 71.3% of respondents indicating a great effect on organizational performance. This underscores the pivotal role of resource management in achieving goals effectively and efficiently. Similarly, setting realistic deadlines for organizational goals was highlighted, with 68.8% acknowledging its significant effects. This emphasizes the importance of time management in enhancing productivity and focus within the organization. Having specific goals received unanimous support, with 69.1% noting a great effect, illustrating how clarity and alignment around objectives drive accountability and strategic direction. Realistic task deadlines were also deemed essential, with 71.0% recognizing their effects in promoting efficiency and goal attainment. Finally, setting manageable tasks was crucial, as noted by 63.9% of respondents, emphasizing the importance of breaking down complex goals into actionable steps to support overall organizational performance.

The study findings validate these principles, as respondents' perspectives on target setting factors corroborate theoretical insights. The allocation of resources was widely perceived as crucial, with 71.3% indicating a significant effect on organizational performance, highlighting the pivotal role of resource management in goal achievement. Similarly, setting realistic deadlines for organizational goals was highly valued (68.8%), recognized for its role in enhancing productivity and focus. Specific goal-setting received unanimous support (69.1%), noted for driving accountability and strategic direction. Realistic task deadlines (71.0%) and manageable task setting (63.9%) were also deemed essential for promoting efficiency and organizational performance.

Furthermore, the qualitative data from the open ended questions. the study sought to establish the effect of target setting on organizational performance. Out of three hundred and twelve (312) respondents only a hundred and twenty (120) responded to the open ended question which is 38% of the target population and majority citing that target Setting positively influences Organizational Performance where clear, well-defined targets improve efficiency, accountability, and provides a roadmap that aligns employee efforts with organizational goals, promoting focus and commitment. For instance, *R1."Target setting gives employees' direction and focus, which in turn*

increases accountability and productivity.", R2."When clear goals are set, performance improves because everyone knows what is expected of them.", R3. "Sometimes targets are unrealistic or poorly communicated, which ends up demotivating staff instead of helping them.", R4."Target setting helps in planning and prioritization, ensuring that resources are allocated effectively." R5. ''Targets setting gives employees direction and focus, which in turn increases accountability and productivity''. R6.'' It motivates employees to strive toward clear benchmarks and recognition and also helps in planning and prioritization, ensuring that resources are allocated effectively'', R8.

''Target setting aligns departmental objectives with the overall organizational mission'', R9. ''It helps track progress over time and identify underperformance early and motivates employees to strive toward clear benchmarks and recognition'' R11. ''Frequent revisions of targets ensure adaptability to changing environments'' R12. Target setting encourages responsibility and commitment to achieving results and reduces redundancy by streamlining efforts across teams'' R14. Clear targets help staff manage time better and concentrate on priorities and challenge employees and help in achieving optimal productivity'' whereas R16. Opined that it fosters a sense of purpose among team members and as a manager, it helps me to monitor performance more easily with set goals'', R18. ''For me, target setting supports timely evaluation of employee output and prevents mission drift and ensures organizational alignment''R40. '' It helps reduce workplace conflicts by clarifying roles'' R211. ''In my end, due to deadlines the targets motivate faster and more efficient work and drives performance reviews and accountability in the county'' R23. ''Employees work harder when they have measurable targets as strategic targets push the team to innovate to meet targets and also helps leaders measure progress and course-correct''R60 "Targets setting provided a roadmap that aligns employee efforts with organizational goals, promoting focus and commitment". R75. I think targets create benchmarks for annual reviews in the organization and specific targets allow departments to develop their work plans'' whereas R127. Opined that ''measurable targets promote transparency in evaluating departments. Target setting brings structure to work, reporting and enhances clarity in performance contracts''. Further, R229. Observed that employees are more committed to meeting defined targets and wellset targets reduce duplication of efforts'' and R312 noted that '' the overall goal of target setting is the foundation of performance management''.

The integration of research findings with the literature on target setting and organizational performance highlights how aligning with established principles enhances organizational effectiveness and boosts employee engagement. Additionally, the setting targets underscores that precise, challenging goals with timely feedback improve task efficiency and are essential for managerial control across various organizations (Aranda, Arellano & Davila, 2014; Lau, Scully, & Lee, 2018).

Practically, setting performance goals not only aligns employee efforts with organizational objectives but also aids in effectively evaluating and rewarding performance (Zhu, Li Wang, 2023; Pulakos et al., 2021). However, Bloom et al. (2021) argue that while targets are critical for performance assessment, ongoing research is essential to fully grasp their effects on management control, employee motivation, and organizational finances. Strategic goal setting serves as a decision-making tool for planning, coordinating resources, and assessing performance across different organizational levels (Van der Hoek, Groeneveld & Kuipers, 2018).
This finding concur with (Hassan, 2019). who emphasizes that clear, measurable objectives enable employees to focus on specific corporate goals, enhancing motivation and facilitating efficient task strategies thus improving organizational performance.

4.4. Employee training and organizational performance

In this section, we explore the relation between staff training and organizational performance, specifically examining whether organizations prioritize investments in employee training and the potential outcomes on overall performance.

4.4.1. Staff Training and Organizational Performance

Table 4.9: Staff Training and Organizational Performance

Staff Training and Organizational Performance	Respondents	Percentage
Yes	115	36.90%
No	197	63.10%

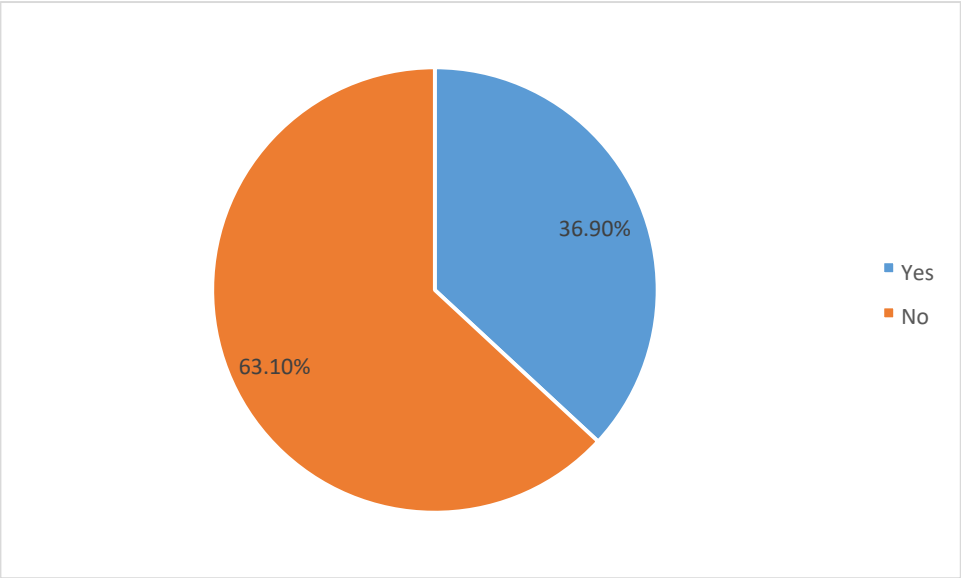

Figure 4.7 Staff Training and Organizational Performance

Table 4.8 displays the distribution of responses concerning whether organizations invest in employee training. Among all respondents, 115 individuals (36.9%) indicated their organization invests in training, while 197 respondents (63.1%) stated that their organization does not invest in training.

According to Table 4.8, 36.9% of organizations prioritize training, acknowledging its significance in fostering continuous learning and skill enhancement. Investing in employee training plays a crucial role in shaping organizational performance and employee growth. Organizations that invest in training typically experience benefits such as enhanced employee skills, increased job satisfaction, and heightened productivity. Conversely, the majority (63.1%) of organizations that do not invest in training may encounter challenges like limited resources or competing priorities, potentially affecting their ability to innovate and maintain competitiveness.

The study concluded that staff training significant influence on organizational performance in Murang'a County Government. It's essential for organizations to strategically align training initiatives with their goals to maximize their effects on employee development and ensure they contribute effectively to organizational performance and adaptability in a dynamic market.

4.4.2 Staff training and Organizational Performance

The study sought to establish the staff training in a five response likert scale with outline statements related to staff training within the Murang'a County Government as shown in Table 4.10

Table 4.10: Staff training and organizational performance

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Training Programs are Effective for Organizational Performance	39 (7.8%)	174 (34.8%)	31 (6.2%)	47 (9.4%)	21 (4.2%)
The organization conducts regular Training Needs Analyses	11 (2.2%)	21 (4.2%)	69 (13.8%)	172 (34.4%)	39 (7.8%)
Ongoing mentorship provided by senior colleagues	20 (4.0%)	136 (27.2%)	54 (10.8%)	93 (18.6%)	9 (1.8%)

The analysis of results concerning staff training within the organization, as shown in Table 4.8, reveals several key insights. Regarding the effectiveness of training programs, a combined 42.6% of respondents (39 strongly agree and 174 agree) believe these programs positively affects organizational performance. However, 15.6% (47 disagree and 21 strongly disagree) express skepticism or dissatisfaction with their effectiveness, indicating significant variance in employee perceptions.

In terms of training needs analysis, a notable 42.2% of respondents (172 disagree, 39 strongly disagree, and 69 neutral) indicate uncertainty or lack of confidence in this area. Only a small proportion, 6.4% (11 strongly agree and 21 agree), express confidence in the implementation of training needs analysis. This highlights potential gaps in identifying and addressing training requirements effectively.

Regarding mentoring from senior peers, while a significant portion (31.2% - 20 strongly agree and 136 agree) report positive experiences with mentoring, there is notable disagreement. 20.4% (93 disagree and 9 strongly disagree) express dissatisfaction with mentoring effectiveness, suggesting areas for improvement in the mentoring program or support provided by senior peers.

The findings from Table 4.8 reveal varying perceptions among respondents regarding staff training within the organization. Regarding the effectiveness of training programs, 42.6% of respondents believe these programs positively contribute to organizational performance, while 15.6% express skepticism or dissatisfaction. This underscores the importance of effective training in enhancing employee capabilities and organizational outcomes.

Literature emphasizes that training is a crucial process aimed at improving knowledge and skills with immediate applications for both individuals and organizations (Wood and Bischoff, 2021). Effective training not only enhances employee skills but also boosts job satisfaction and productivity (Guest, Namey, & Chen, 2020). It aligns employees with organizational goals, enhancing their ability to complete tasks quickly and productively (Ross et al., 2016).

The conduct of training needs analysis, as indicated by 42.2% of respondents showing uncertainty, suggests potential gaps in identifying and addressing training requirements (Derrick, DeLong, & Myers, 2021). Conversely, those confident in the training needs analysis highlight its importance in aligning training programs with organizational needs (Khan, Khan & Khan, 2022). Mentoring from senior peers, valued by 31.2% of respondents, supports employee development but also faces challenges, with 20.4% expressing dissatisfaction. This indicates areas for improving mentoring programs to enhance their effects on employee performance (Abdullah & Othman, 2019).

In conclusion, the integration of effective training practices, including robust needs analysis and supportive mentoring, is critical for enhancing employee effectiveness and organizational performance (Sultana & Zaki, 2023). By addressing training gaps and optimizing training strategies, organizations can empower employees, improve performance outcomes, and maintain competitiveness in dynamic environments.

Thus, investing in comprehensive training initiatives remains pivotal for achieving sustained organizational performance.

An item on the questionnaire aimed to determine the effectiveness of staff training in the organization in descriptive statistics to offer insights into the level of agreement or disagreement among respondents regarding various aspects of staff training in the organization as shown on Table 4.10

Table 4.11 Staff training and Organizational Performance

Statement	Mean	Variance	Standard Deviation
Training Programs Effectiveness	3.28	1.1	1.05
Training Needs Analysis Conducted	2.3	1.52	1.23
Mentoring From Senior Peers	3.22	1.03	1.01

The analysis of Table 4.10 reveals distinct perceptions among employees regarding key aspects of staff training within the organization. Firstly, the moderate mean rating of 3.28 for the effectiveness of training programs indicates a generally positive reception among respondents. This suggests that employees perceive these programs as beneficial, contributing to their skills and job effectiveness. The consistent responses around this mean, indicated by the low variance and standard deviation, reflect a cohesive view on the effects of training programs.

The lower mean rating of 2.30 for the conduct of training needs analysis highlights more varied opinions among employees. The higher variance and standard deviation indicate greater divergence in views, with some employees expressing uncertainty or dissatisfaction with how training needs were identified and addressed within the organization. This finding underscores a potential area for improvement in aligning training initiatives with identified organizational needs.

The moderate mean rating of 3.22 for mentoring from senior peers indicates a generally positive perception among respondents. Employees value the guidance and support provided by senior peers, which is reflected in the consistent responses

clustered around this mean. However, while generally positive, there may still be opportunities to enhance the mentoring process to ensure its effectiveness across all organizational levels.

These findings underscore the importance of strategic alignment and continuous improvement in training and mentoring practices. Addressing concerns around training needs analysis and further enhancing mentoring programs could foster greater employee development, thereby enhancing organizational effectiveness and performance.

4.4.4 Staff training influence organizational performance in Murang'a County Government

Table 4.12 staff training influences organizational performance

Response	Frequency	Percentage (%)
Yes	253	81.1
No	59	18.9

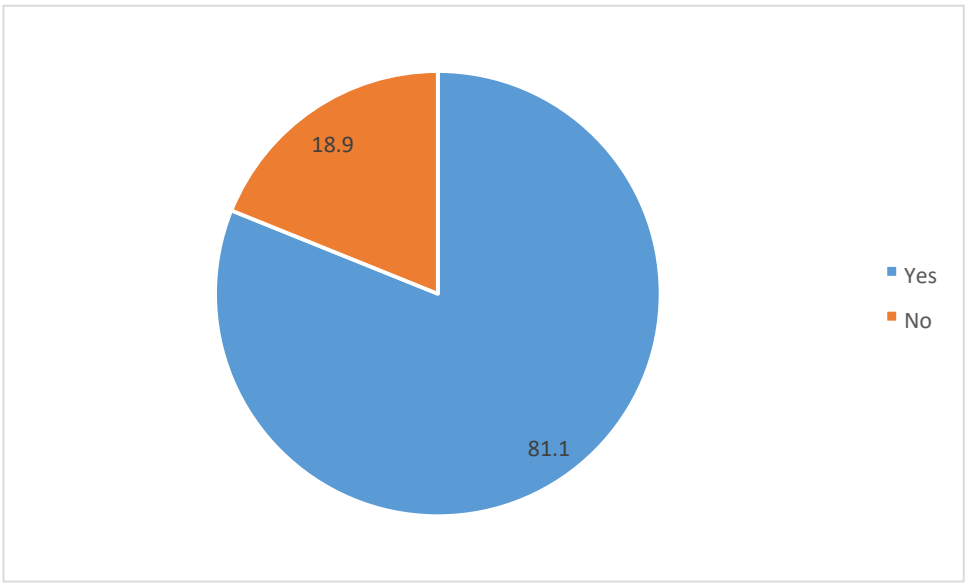

Figure 4.8 Staff training influences organizational performance

The results from Table 4.12 reveal that a substantial majority of respondents, 253(81.1%), strongly believe in the positive effects of staff training on organizational

performance. This consensus highlights widespread acknowledgment among employees about the benefits associated with investing in training initiatives. In contrast, 59(18.9%) respondents, hold a differing view, suggesting a minority perspective that does not see a direct link between staff training and organizational performance. These findings emphasize the perceived significance of training programs in enhancing organizational effectiveness as recognized by a significant portion of the workforce.

Successful training not only enhances employee satisfaction, a critical factor in achieving corporate goals (Guest, Namey, & Chen, 2020), but also improves the proficiency of employees' skills and knowledge. Research in human resource management has shown that activities like training can significantly affects workforce motivation and organizational engagement (Lamba, S., & Choudhary, N. (2013).; Abdullah & Othman, 2019).

Moreover, the study sought to establish the effects of staff training on performance of an organization as shown on Table 4.13

Table 4.13: effects of staff training on the performance of an organization

Statement	Strongly Agree	Agree	Neutral	Disagr ee	Strongly Disagree	Mean	Variance	Std Deviation
Training	243 (76.1%)	69 (21.6%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	4.46	0.445	0.6672
Staff improvements	171 (53.4%)	100 (31.3%)	41 (12.8%)	0 (0.0%)	0 (0.0%)	4.34	0.4997	0.707
Empowerment training for performance	107 (33.5%)	138 (43.1%)	50 (15.6%)	17 (5.3%)	0 (0.0%)	4.03	0.8141	0.9025
Training and development	121 (37.8%)	139 (43.4%)	42 (13.1%)	10 (3.1%)	0 (0.0%)	4.08	0.8644	0.929

The findings derived from Table 4.13 underscore strong endorsement for comprehensive training initiatives within the organization. A significant majority, comprising 76.1% of respondents, unequivocally advocate for universal training provision, emphasizing a broad-based approach to skill development (Mean: 4.46, Standard Deviation: 0.6672, Variance: 0.445). This underscores a robust consensus on the necessity of equipping all employees with essential competencies.

Additionally, there is notable consensus regarding resource allocation for staff improvement initiatives, with 53.4% strongly supporting and 31.3% agreeing on this aspect (Mean: 4.34, Standard Deviation: 0.707, Variance: 0.4997), highlighting the critical role of organizational support in facilitating effective training outcomes.
Furthermore, empowerment training aimed at fostering collaboration and enhancing performance also garners significant endorsement, with 33.5% strongly agreeing and

43.1% agreeing (Mean: 4.03, Standard Deviation: 0.9025, Variance: 0.8141). This reflects a shared belief in the transformative potential of training programs to enhance both team dynamics and individual effectiveness in the workplace.

Moreover, respondents express a strong consensus regarding the primary objective of training and development, with 37.8% strongly agreeing and 43.4% agreeing that these initiatives should primarily focus on enhancing trainee performance (Mean: 4.08, Standard Deviation: 0.929, Variance: 0.8644). This alignment underscores a strategic approach to skill enhancement aimed at achieving organizational goals and maximizing individual contributions.

In summary, the minimal variance and standard deviations across these findings indicate a coherent and widely shared perspective among respondents regarding the crucial role of training in cultivating a proficient and productive workforce, thereby bolstering organizational performance.

In addition, the data from open ended question, the study sought to establish the effect of staff training on organizational performance. Out of three hundred and twelve (312) respondents only a hundred and twenty (90) responded to the open ended question which is 28% of the target population and majority of the respondent agreed that employee training significantly enhances organizational performance where trained employees are more competent, confident, and efficient, contributing to higher productivity, better service delivery, and innovation. For instance, *R1."training reduces mistakes and improves the quality of service delivery by enhancing staff competence." R2."Training fosters innovation and allows employees to suggest better ways of doing things." R3."Trained staff are more confident in their roles, which helps in faster decisionmaking."R4."Training improves teamwork and communication among different departments." R5.*

'It reduces resistance to change by making employees feel prepared and valued.''. R6.'' Training fosters innovation and allows employees to suggest better ways of doing things.'', R8. 'It reduces mistakes and improves the quality of service delivery by enhancing staff competence'',R9. 'It enhances problem-solving capabilities among employees'' R11. 'Training empowers employees to take initiative and handle responsibilities independently.'' R12. It increases efficiency and productivity by

clarifying roles and responsibilities'' R14. It reduces resistance to change by making employees feel prepared and valued.'' whereas R16. Opined that" It increases efficiency and productivity by clarifying roles and responsibilities.'', R18. ''For me, training ensures organizational alignment''R40. '' It helps reduce workplace conflicts by clarifying R312 noted that '' the overall goal of training is the foundation of performance management''.

The findings from Table 4.13 underscore strong organizational support for comprehensive training initiatives, aligning with scholarly perspectives on training's pivotal role in enhancing employee effectiveness and organizational performance. Training, defined as targeted learning aimed at improving specific skills and knowledge applicable to job roles, is emphasized as a critical tool for both individual and organizational development (Wood and Bischoff, 2020). This approach not only aims to equip employees with necessary competencies but also seeks to foster collaborative efforts and higher performance levels through empowerment training (Wood and Bischoff, 2020; Dognin & Singh, 2019).

Empirical studies consistently indicate that effective training programs positively affects organizational outcomes by enhancing employee productivity and overall performance (Guest, Namey, & Chen, 2020). Such initiatives were viewed as essential motivators that can lead to improved job satisfaction and organizational engagement (Abdullah & Othman, 2019). Moreover, training serves as a strategic imperative to address emerging challenges and enhance organizational adaptability (Cooke et al., 2020).

The alignment observed in the survey data regarding training provision and resource allocation underscores a shared belief in the transformative potential of training to bridge skill gaps and optimize workforce capabilities (Rose et al., 2017). By focusing on practical application rather than theoretical knowledge alone, training initiatives were positioned to effectively support organizational goals and bolster performance outcomes. This strategic emphasis on training not only aligns with global best practices but also underscores its critical role in enhancing both individual competencies and overall organizational effectiveness (Sultana & Zaki, 2023)

From the analyzed data, the study arrived at the conclusion that there is a strong consensus among respondents regarding the strategic importance of training in enhancing organizational performance through targeted skill development and empowerment initiatives. This resonates with scholarly views that advocate for training as a cornerstone of organizational development, capable of bridging skill gaps and fostering a more resilient and capable workforce Khan, (2019).

This finding established that training aims at equipping employees with necessary competencies, improving skill and knowledge. This concurs with Wood and Bischoff, 2020; Dognin & Singh, 2019 approach that training not only aims to equip employees with necessary competencies but also seeks to foster collaborative efforts and higher performance levels through empowerment.

4.5. Performance appraisal and organizational performance

This section presents key findings regarding the relationship between performance appraisal practices and organizational performance

4.5.1 Communication of Performance Appraisal Results

This section presents the findings on how performance appraisal results were communicated within organizations.

Table 4.14: Communication of Performance Appraisal Results

Communication of Performance Appraisal Results	Respondents	Percentage (%)
Yes	12	3.8
No	300	96.2

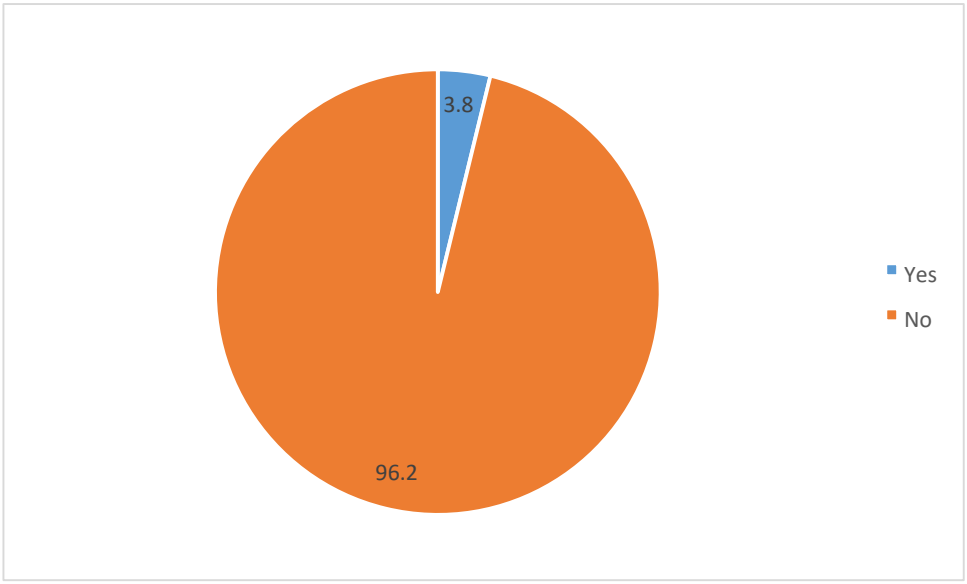

Figure 4.9 Communication of Performance Appraisal Results

Table 4.14 illustrates that out of the total respondents surveyed regarding the communication of performance appraisal results within their organization, 12 respondents (3.8%) indicated that performance appraisal results were communicated, while a significant majority of 300 respondents (96.2%) reported that performance appraisal results were not communicated. This highlights a prevalent practice where communication of performance appraisal outcomes may not be effectively implemented across the organization, potentially affecting employee engagement and understanding of performance feedback.

The findings from Table 4.14, where only 3.8% of respondents indicated that performance appraisal results were communicated within their organization, underscore a significant gap in practices compared to recommendations by Carruthers (2018). Carruthers et al. emphasize that structured performance reviews provide employees with constructive feedback aligned with organizational goals, aiming to mitigate biases and subjective judgments. However, the stark contrast with the survey findings suggests that many organizations may not fully implement these advanced practices, potentially hindering employee development and organizational alignment.

4.5.2. The organization has individual performance level projection

This section aims to investigate whether the organization establishes individual performance expectations or projections

Table 4.15: Individual performance level projection

Individual performance level projection	Frequency	Percentage
Yes	273	87.50%
No	39	12.50%

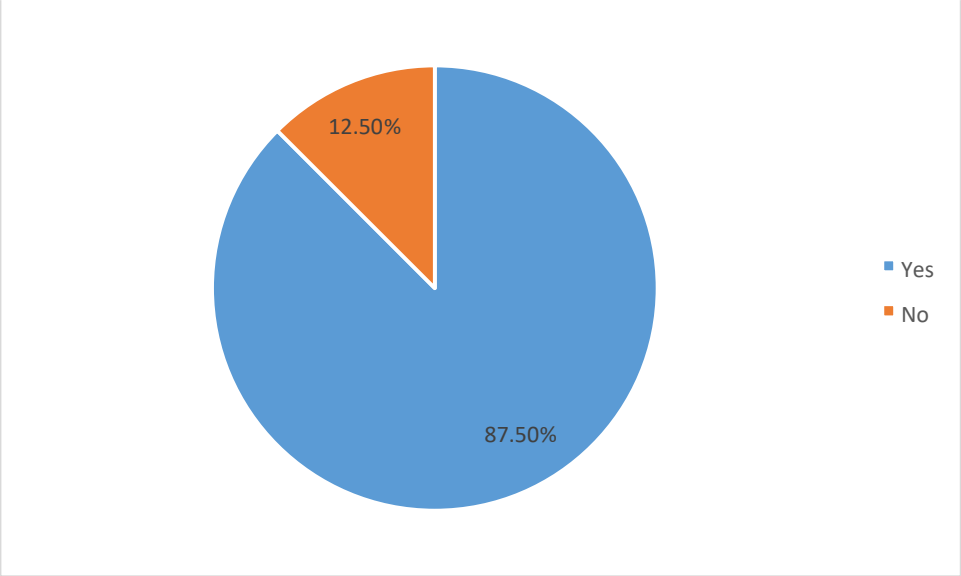

Figure 4.10 Individual performance level projection

The findings from Table 4.15, a significant majority of respondents, accounting for 87.50%, indicated that their organization sets individual performance level projections. This practice involves establishing clear expectations and goals for each employee's performance, typically aligned with organizational objectives. This suggests that there is a system or process in place for evaluating and projecting individual performance within the organization. The 12.50% of respondents who reported that their organization does not set individual performance level projections may indicate potential areas where performance expectations might not be explicitly defined or communicated.

Individual performance level projection plays a crucial role in performance appraisal, integrating effective goal setting principles highlighted by Locke & Latham (2018)

and encompassing various goal types identified by Murphy (2020) to drive employee engagement and organizational alignment.

4.5.3. Were specific performance goals set during your most recent appraisal?

Table 4.16: Setting Goals During Performance Appraisal

Setting Goals During Performance Appraisal	Frequency	Percentage
Yes	12	3.80%
No	300	96.20%

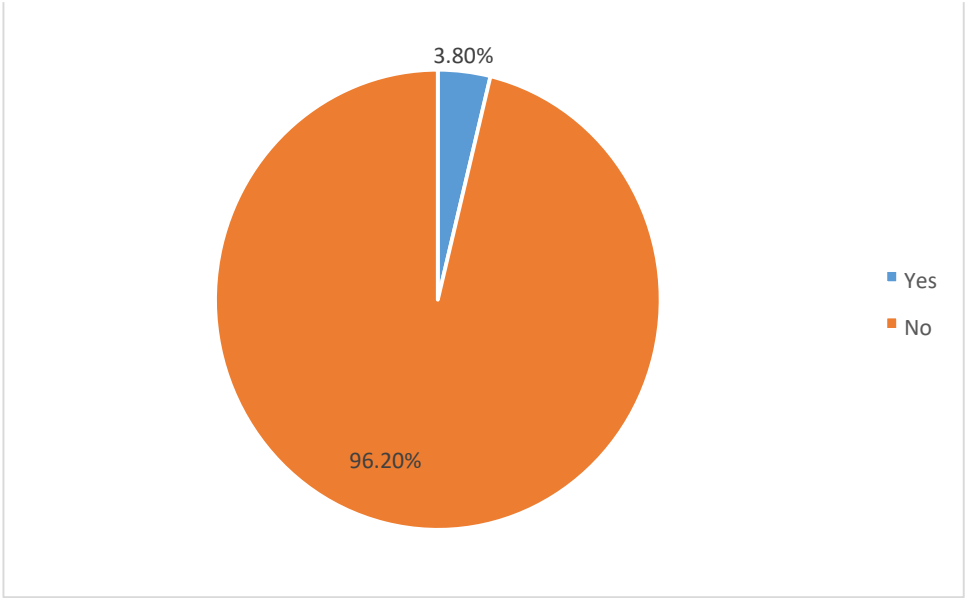

Figure 4.11 Setting Goals During Performance Appraisal

The findings based on Table 4.16, only 3.8% of respondents reported that their respondents' sets goals during performance appraisals, while a significant majority of 96.2% indicated otherwise. This suggests that goal-setting as part of the performance appraisal process is not widely practised among the surveyed organizations.

4.5.4. Does the performance appraisal system influence organizational performance in Murang'a County Government?

Table 4.17 Influence of Performance Appraisal System

Influence of Performance Appraisal System	Frequency	Percentage
Yes	165	52.90%
No	147	47.10%

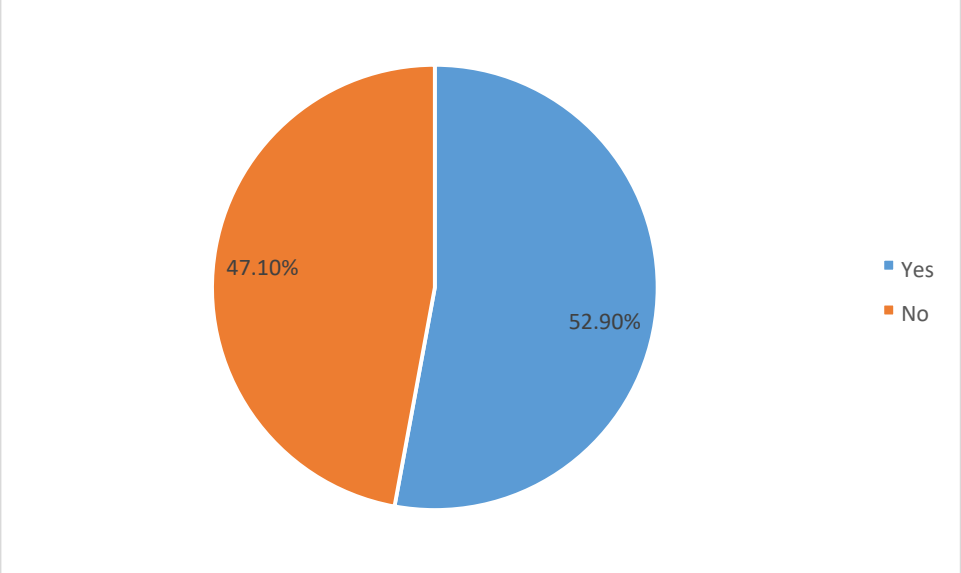

Figure 4.12 Influence of Performance Appraisal System

According to Table 4.17 above, Influence of Performance Appraisal System, reveals that a significant portion of respondents, 165 individuals or 52.9%, believe that the performance appraisal system influences organizational performance. This suggests that these respondents perceive a direct link between the appraisal process and overall organizational effectiveness. Conversely, a notable number of respondents, comprising 147 individuals or 47.1%, reported that the performance appraisal system does not influence organizational performance. This divergence in opinions underscores varying perspectives on the efficacy of performance appraisals in driving organizational outcomes.

The findings from Table 4.17 indicate that 52.9% of respondents perceive the performance appraisal system as influencing organizational performance.

The study concluded that performance appraisal significantly influences organizational performance in Murang'a County Government.

Further, from the data in the open ended questions, the study sought to establish the effect of performance appraisal on organizational performance. Out of three hundred and twelve (312) respondents only a hundred and twenty (115) responded to the open ended question which is 36% of the target population and majority reporting that regular and structured appraisals improve employee performance and productivity where proper feedback helps employees understand their strengths and areas that need improvement, boosting motivation and efficiency. For instance,

R1."Performance appraisals help identify skill gaps that can be addressed through targeted training programs " R2."Performance appraisals encourage self-reflection and motivate employees to set personal development goals" R3."Ensures fairness in promotions and rewards, which boosts employee morale."."R4." When well-conducted, appraisals open dialogue between supervisors and staff, improving workplace relationships" R5. 'Constructive feedback during appraisals helps clarify expectations''. R6.'' Foster a culture of performance and excellence.'', R8. 'It reduces mistakes and improves the quality of service delivery by enhancing staff competence'',R9. 'Appraisals encourage goal alignment at the individual and organizational level. R11. 'Helps identify skill gaps that can be addressed through targeted training programme.'' R12. Constructive feedback during appraisals helps clarify expectations.'' R14. It ensures fairness in promotions and rewards, which boosts employee morale'' R16. They foster a culture of performance and excellences.'' R18. ''For me, performance appraisals enhance overall productivity of the organization

The results align with scholarly perspectives suggesting that well-designed appraisal systems can effectively align individual employee goals with organizational objectives, thereby enhancing overall performance (Stone, 2022). Conversely, the 47.1% of respondents who do not attribute such influence highlight complexities discussed in the literature by Armstrong and Taylor (2023). They argue that

inconsistent implementation or ambiguity in appraisal criteria may diminish its effectiveness in driving organizational outcomes. Thus, while some view appraisals as fundamental in improving performance through goal alignment and feedback mechanisms, others point to challenges that may hinder their intended benefits within organizational contexts.

4.6 Chapter Summary

This chapter provides the results of the research study. The chapter has provided analysis based on demographic information as well as the specific research objectives. The findings were utilized in developing the implications of the research in the next chapter and form a basis for recommendations

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary of findings

These descriptive analyses provide a clear overview of the demographic distribution and characteristics of the surveyed population as follows:

The descriptive analyses provide a clear overview of the demographic distribution and characteristics of the surveyed population. Out of the total 312 respondents, the gender distribution was predominantly male. The age distribution revealed that the majority of respondents were between 25 and 35 years old, accounting for 113 individuals.

In terms of educational background, the majority of respondents held a Bachelor's Degree, attaining this level of education. Other qualifications included Certificates, Ordinary Diplomas, Higher
Diplomas, Master's Degrees, and PhDs. Regarding tenure at Murang'a County Government, majority of respondents had worked for 5 years or more, with the rest of the participants having been employed with under five years of experience.

5.1.1. Target setting and organizational performance

The data indicates a strong belief among respondents that target setting positively affects organizational performance. Out of 312 respondents, majority affirmed that target setting enhances organizational performance, while a few disagreed. Further analysis of target setting factors revealed significant insights: the type and amount of resources set aside was seen to have a "Great effect" by majority of respondents; having specific goals was rated similarly by majority of respondents; setting realistic deadlines was noted by a great number as having a great effect; and majority believed setting manageable goals had a considerable effect. These findings suggest that resource allocation, goal specificity, and effective task management play crucial roles in driving organizational performance.

5.1.2. Staff training and organizational performance

The data collected indicates a strong belief that staff training positively affects organizational performance. Out of the respondents, only a few stated that their

organization invests in employee training, while the majority, reported that it does not. This discrepancy highlights a significant gap in training initiatives within the organization. Regarding the effectiveness of training programs, a small number of respondents believed that these programs contribute positively to organizational performance. Conversely, expressing skepticism. Additionally, a notable number of respondents indicated a lack of confidence in the conduct of training needs analysis, with only a few expressing assurances. Mentoring from senior peers received mixed reviews, with some respondents expressing positive sentiments, while others expressed dissatisfaction. Overall majority of respondents believe that staff training influences organizational performance positively.

5.1.3. Performance appraisal and organizational performance

The data from Murang'a County Government paints a picture of significant gaps and opportunities in performance appraisal practices and their effects on organizational performance. A staggering number of respondents reported not receiving communication about their performance appraisal results, highlighting a critical communication deficit within the organization. Furthermore, while majority believe there is a system for projecting individual performance levels, others indicated otherwise, suggesting inconsistencies in performance evaluation processes. Additionally, goalsetting during performance appraisals was reported by minority of respondents, signaling a need for structured goal alignment and development. Lastly, opinions were divided on the influence of the performance appraisal system, with some perceiving a positive effect and expressing skepticism.

Implication of the study

The findings of this study have important implications for public sector management and policy formulation. The identified gaps in training and capacity building suggest that county governments should prioritize adequate resource allocation for continuous staff training and development to enhance employee competence and organizational performance.

The study further implies that the absence of structured communication policies negatively affects coordination and efficiency within public sector organizations. Therefore, the establishment of clear and formal communication frameworks is essential for improving information flow, accountability, and performance outcomes.

At a policy level, the findings imply that performance contracting frameworks should be supported by complementary human resource development and communication strategies to achieve the intended performance improvements in county governments.

5.2. Conclusion

The survey results reveal that target setting is widely viewed as a crucial factor in enhancing organizational performance at Murang'a County Government, as it fosters structure, efficiency, and productivity. Respondents identified key components adequate resource allocation, clear goals, realistic deadlines, and manageable objectives as essential to creating a productive work environment. This aligns employee efforts with organizational goals, leading to better overall performance. Additionally, the demographics show a predominantly male and relatively young workforce aged 25-35 years, with most holding a Bachelor's degree and a majority having over five years of experience, suggesting a well-educated, experienced team.

Training programs emerged as vital for organizational performance, yet respondents highlighted gaps in addressing training needs and program effectiveness. Many employees believe in the positive effects of training on performance, but dissatisfaction with current offerings suggests the need for better training needs analysis, tailored programs, and effective mentoring to promote employee development. Furthermore, the performance appraisal framework shows critical areas needing improvement, particularly in communication and consistency. A lack of feedback on appraisal results and low emphasis on goal-setting within evaluations impede employee development and hinder transparency, potentially affecting fairness and alignment with organizational objectives.

In summary, the findings reveal significant weaknesses in the performance appraisal system at Murang'a County Government, particularly in communication, consistency, and goal alignment. Limited feedback on appraisal results, inconsistencies in performance evaluation practices, and inadequate integration of goal setting undermine employee development and confidence in the system, resulting in mixed perceptions of its effectiveness on organizational performance.

Lastly, while Performance Contracting is generally perceived as beneficial for enhancing service quality and efficiency, respondents indicate mixed views on its effects on cost reduction and motivation. Addressing these issues with improved financial effects assessments and motivational strategies could further optimize the benefits of Performance Contracting at Murang'a County Government.

Overall, the study concludes that performance contracting enhances organizational performance at Murang'a County Government primarily through clear and realistic target setting, supported by effective training and performance appraisal systems that align employee efforts with organizational goals. However, gaps in training needs assessment, appraisal feedback and consistency, as well as mixed outcomes in cost reduction and employee motivation, indicate the need for strengthened capacity-building, evaluation, and motivational mechanisms to fully realize the benefits of performance contracting.

Limitations of the Study

Despite the contribution of this study, several limitations were encountered. First, the study relied on self-reported data collected through questionnaires, which may have been affected by response bias. However, this was minimized by assuring respondents of confidentiality and anonymity.

Secondly, the study was limited to Murang'a County Government, which may restrict the generalizability of the findings to other county governments or public sector institutions. Nevertheless, the findings provide valuable insights into performance contracting practices within devolved units of government.

In addition, time and financial constraints limited the scope of the study, particularly in terms of expanding the sample size. Despite this, the selected sample was considered adequate and representative for achieving the study objectives.

5.3 Recommendations

Murang'a County Government should institutionalize a structured target-setting framework that ensures adequate resource allocation, clear and specific goals, realistic

timelines, and manageable workloads across all departments to enhance organizational performance.

To improve organizational performance at Murang'a County Government, a comprehensive approach across training, resource allocation, performance appraisals, and performance contracting is recommended. Enhanced investment in tailored training programs, alongside regular needs analysis, upskill employees and improve efficiency. Ensuring alignment between training objectives and organizational goals fosters relevance and effects, while empowerment training boosts employee engagement and productivity. Strategically allocating resources, setting clear goals, and maintaining realistic deadlines support an efficient work environment, promoting sustained productivity. Gender balance and professional development initiatives encourage diverse and motivated talent, while health programs and inclusion training nurture an inclusive workplace.

Strengthening performance appraisal practices with formal communication channels, standardized procedures, and goal-setting aligns individual performance with organizational objectives, supporting consistent improvement and employee development. Effective Performance Contracting can be achieved by accurately assessing financial effects, improving communication, and fostering motivation through incentives. Continuous monitoring and a robust evaluation framework ensure that contracting remains responsive to organizational needs, while training for employees involved in contract management enhances consistency. Together, these strategies cultivate a structured, inclusive, and high-performance work environment, driving sustained success at Murang'a County Government.

Suggested Areas of further study

Respondents believe in the positive effects of training on performance, but dissatisfaction with current offerings suggests the need for better training needs analysis, tailored programs, and effective mentoring to promote employee development. Furthermore, the performance appraisal framework shows critical areas needing improvement, particularly in communication and consistency. A lack of feedback on appraisal results and low emphasis on goal-setting within evaluations

impede employee development and hinder transparency, potentially affecting fairness and alignment with organizational objectives. Respondents indicated mixed views on the effects of performance contracting on cost reduction. A comparative study of performance contracting and organization performance between different county governments is recommended. Researchers should address these issues to further optimize the benefits of Performance Contracting.

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APPENDICES

Appendix 1: Questionnaire

Serial No ……..

THE EFFECTS OF PERFORMANCE CONTRACTING ON ORGANIZATIONAL PERFORMANCE IN THE PUBLIC SECTOR. A CASE OF MURANG'A COUNTY GOVERNMENT

Introduction

I am a student pursuing Masters in Public Administration at Murang'a University of Technology. As part of the partial fulfilment of the requirements for the Award of a post graduate degree, I am expected to undertake a study in a public sector institution. My study seeks to assess the effects of performance contracting on organizational performance in the public sector. I have identified Murang'a County Government as my area of study and hereby request you to participate in the study by responding to the following questions. Your participation and cooperation in this study will be highly appreciated. Your responses will be used with utmost confidentiality and only for the purposes of this study.

Kindly indicate, by ticking (√) the space corresponding to the correct answer?

SECTION A: BACKGROUND INFORMATION

1. Gender

a. Male ☐ b. Female ☐

2. Age

a. Below 25 years ☐ d. 46 –55 ☐

b. 25–35 ☐ e. Above 55 ☐

c. 36 – 45 ☐

3. Highest level of education

a. Certificate ☐

b. Ordinary Diploma ☐

c. Higher Diploma ☐

d. Bachelor's Degree ☐

e. Master's Degree ☐

f. PHd ☐

4. How long have you worked in Murang'a County Government?

a. Less than 5 Years ☐

b. 5 years and above ☐

SECTION B: 1. TARGET SETTING AND ORGANIZATIONAL PERFORMANCE

a) Do you think target setting has an effect on organizational performance?(Tick)

Yes ( )

No ( )

b)What do you think is the effect of target setting on organizational performance?

.....

.....

.....

.....

.....

c) Using the scale 1-5 as shown below please tick the extent of the effect of the following target setting factors on organizational performance.

Nil effect - 1 Least effect - 2 Great effect -3 Greater effect -4 Greatest effect -5

Factor	**1**	**2**	**3**	**4**	**5**
Type and amount of resources set aside					
Time limit for organizational goal					
Having specific goals					
Realistic deadlines to finish the task at hand					
Setting manageable					

SECTION C: STAFF TRAINING AND ORGANIZATIONAL PERFORMANCE

Does the organization invest in training of employees? Yes [ ] No [ ]

In your opinion, kindly indicate the level of agreement or disagreement with the following statements in regards to staff training in your organization, by ticking (√) the space corresponding to the correct answer?

Scale: Strongly Agree = 5: Agree= 4: Neutral = 3: Disagree = 2: Strongly disagree =5

Statement	5	4	3	2	1
Training programs are effective for organizational performance					
Training needs analysis is conducted in the organization					
The mentoring you are currently receiving from senior peers					

a) Does staff training influence organizational performance in Murang'a County Government?

Yes ( ) No ( )

b) Staff training influences organizational performance. Using the scale of: Strongly Agree,

Agree, Neutral Disagree and Strongly Disagree, tick (√) where appreciable

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Training should be provided to all employee in organizational ' performance in Murang'a County Government?					
Once employees understand what needs to be done to improve the organization, they then need all the skills and resources necessary to be able to accomplish these improvements					
Empowerment training is more remedial and it prepares for collaboration and higher level of performance.					

Training and development of any kind should have, as its objective the redirection or improvement of behavior so that the performance of the trainee becomes more useful and productive for himself and the organization which he is part of					

c) How else does staff training affect organizational *performance in Murang'a County Government?* that is not mentioned above?

……
……
……
……
……
……

SECTION D: PERFORMANCE APPRAISAL AND ORGANIZATIONAL PERFORMANCE

a) Are the results of your performance appraisal communicated back to employees?

Yes [ ] No [ ]

b) Does your organization have individual performance level projection?

Yes [ ] No [ ]

c) Did you set goals during your last performance appraisal?

Yes [ ] No [ ]

d) Does performance appraisal system influence organizational 'performance in Murang'a County Government??

Yes ( ) No ( )

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
Performance Contracting has greatly improved organizational performance					
Performance Contracting has the quality of service we offer to our customers					
Performance Contracting has reduced recurrent costs thus improved profits					
Performance Contracting has improved efficiency in our organization					
Performance Contracting has led to staff motivation					

e). How else does performance appraisal improved organizational performance in Murang'a County Government that is not mentioned above?

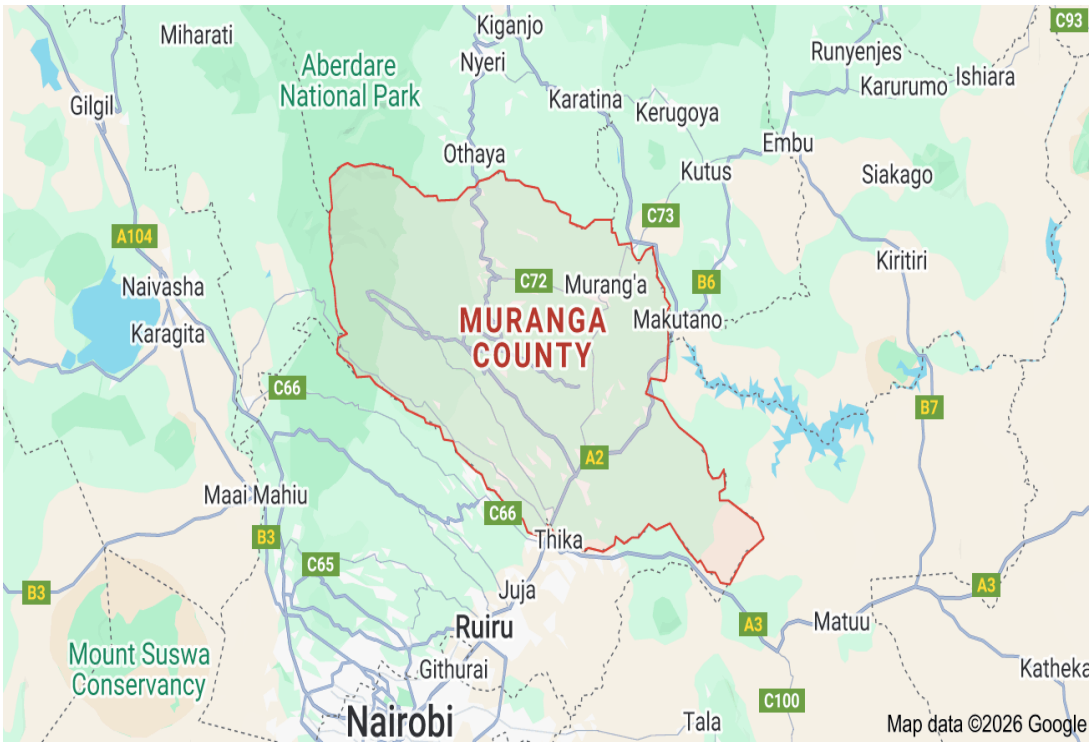
……

……

……

Thank you for your cooperation and participation

Appendix 2: Sketch Map



Appendix 3: MUT Research Approval

C3

MURANG'A UNIVERSITY OF TECHNOLOGY

Office of the Director, Postgraduate Studies

E-mail: bps@mut.ac.ke
Website: www.mut.ac.ke
P.O. Box 75-10200
Murang'a, Kenya

Ref: MUT/ARP/PGS/19/2020 /VOL.1 **Date:** 3rd April, 2024

Mr. Robert Kihoro Kibe (BE400/5233/2018)
School of Education, Humanities and Social Sciences
Murang'a University of Technology,
P.O. Box 75-10,200
Murang'a.

Dear Mr. Kibe,

RE: APPROVAL OF RESEARCH PROPOSAL AND SUPERVISORS.

I am pleased to inform you that the Directorate of Postgraduate Studies on 25th March, 2024 considered and approved your Masters research proposal entitled ***"The Effects of Performance Contracting on Organizational Performance in the Public Sector in County Governments, Kenya"*** and appointed the following as supervisors:

1. Dr. Nancy Githaiga - Murang'a University of Technology
2. Dr. Edna Jemutai Moi - Murang'a University of Technology

You may now proceed with your data collection subject to obtaining research permit from NACOSTI, if required. You should also begin consulting your supervisors and submit through them quarterly progress reports to the Director Postgraduate Studies through your CoD and School Dean. Progress Reports forms can be accessed in the Student Portal.

It is the policy and regulations of the University that you observe deadlines. The guidelines on Postgraduate supervision can be accessed in the post graduate Handbook.

Your responsibilities as a student will include, among others;

i. Maintain regular consultation with your supervisor(s), at least once a month
ii. Submit quarterly reports on time, through your supervisors, CoD, Dean and to the Director of Postgraduate Studies;
iii. Ensure quality work all through;

iv. Present your research findings at 2-3 seminars/conferences prior to thesis examination.

v. Publish one article from your research findings in a refereed journal prior to thesis examination.

For any further clarification please contact the undersigned.

Yours Sincerely,

Prof. Geoffrey Muchiri, PhD
Director, Postgraduate Studies
GM/PIM

DIRECTORATE OF POSTGRADUATE STUDIES
MURANG'A UNIVERSITY OF TECHNOLOGY
03 APR 2019
P. O. Box 75 - 10200, MURANG'A
Tel: 0771463515, Email: info@mut.ac.ke

Copy to:
1. Registrar, Academics, Research and Students Affairs
2. Dean, School of Engineering and Technology

Appendix 4: NACOSTI Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **705816**

Date of Issue: **28/October/2024**

RESEARCH LICENSE



This is to Certify that Mr.. Robert kihoro kibe of Murang'a University of Technology, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Muranga on the topic: EFFECTS OF PERFORMANCE CONTRACTING ON ORGANIZATIONAL PERFORMANCE IN THE PUBLIC SECTOR IN COUNTY GOVERNMENT, KENYA for the period ending : 28/October/2025.

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See overleaf for conditions

Appendix 5: Publication

This thesis has produced the following publication:

Kibe, R. K., Muthoni, N., & Omariba, A. (2025). *Effect of target setting on organizational performance: A focus of Murang'a County Government, Kenya*. *iBusiness,17*(3),191–201.https://doi.org/10.4236/ib.2025.173012