

# **Performance Contracting & Management for County Governments**

**Presentation by:**

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# Presentation agenda



## **Performance Management**

1. Understanding Performance Management
2. Historical Background of Performance Contracting in Kenya
3. Implementation Framework and its Challenges
4. Notable Achievements of the Performance Contracting
5. A case for introducing Performance Contracting for County Governments
6. Conclusion: Q&A

# Understanding Performance Management



By definition 'It is a process of establishing a shared understanding about what is to be achieved and how it is to be achieved, and an approach to managing people which increases the probability of achieving job related success' –  
*Franklin Hartle*

Several tools available including Kaplan's Balance Score Card, 360 degree feedback, Management By Objectives, Key Performance Indicators, Personal Development Plans and Performance Contracting.

# Historical Background of Performance Contracting in Kenya



Lack of use of Empirical data in evaluations



Lack of Apprasals for government organs/Ranking



Biases in Evaluations/No Objectivityc



# Historical Background of Performance Contracting in Kenya



- a. Poor performance in public sector hindering economic growth.
- b. Public Sector reforms
  - I. Begins with Structural Adjustment Program (SAPs) by the World Bank in the 80's.
  - II. Driven by the decline in public sector performance over time.
  - III. The Dream Team is later formed.
  - IV. Generation 1 reforms: Civil Service Reforms in the 90's— towards higher productivity.
  - V. Generation 2 Reforms: Better Performance Measurement which included;
    - a) Economic Recovery Strategy (ERS) of 2002 under “Kibaki regime”.
    - b) Implementation of the Performance Contract in 2003/4 (first introduced in 1990) & Results Based Management (RBM)
      - i. RBM is participatory. Works to improve planning, programming, management efficiency, accountability and transparency.
      - ii. RBM ensured clear targets, delineate activities and clear role allocation to each staff member in the service delivery value chain.

# Historical Background of Performance Contracting in Kenya



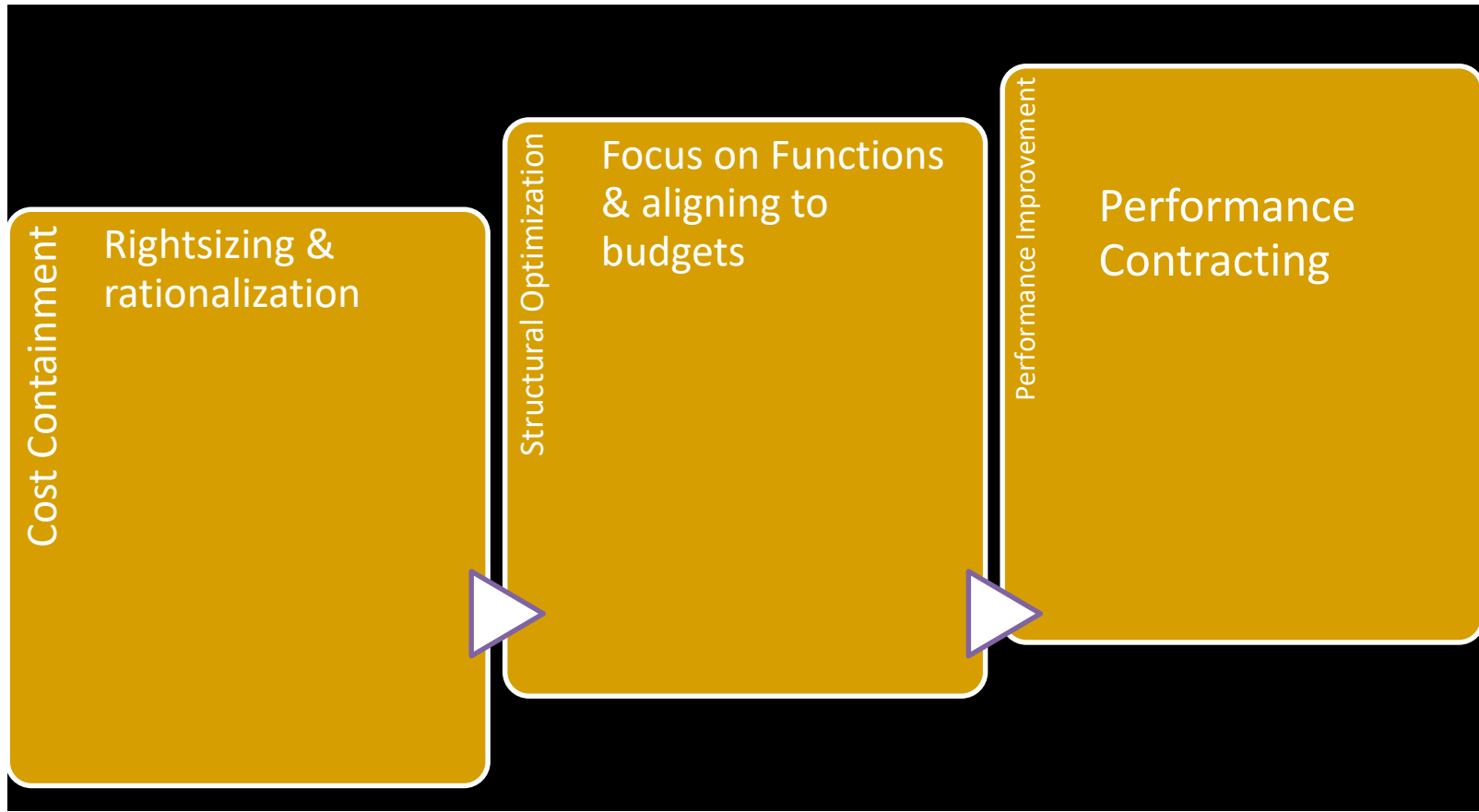
## c. Performance Contracting;

- i. Begun in France in the 60's and further refined in Korea, Pakistan and India;
- ii. Widely adopted in Gambia, Nigeria among other African Countries;

## d. Drivers of Performance Contracting;

- a. The urgency to improve public service delivery
- b. The drive to ensure the implementation of Government agenda – e.g. Vision 2030.
- c. A holistic all inclusive approach to performance and goal setting
- d. An eventual end to corruption and unethical practices (good governance)
- e. Optimization of public funds and resources – ‘sweating the assets’.
- f. Motivation of staff and career fulfilment.
- g. Global push over the UN Millennium Development Goals (now SDGs).

# Historical Background of Performance Contracting in Kenya



# Implementation Framework and its Challenges

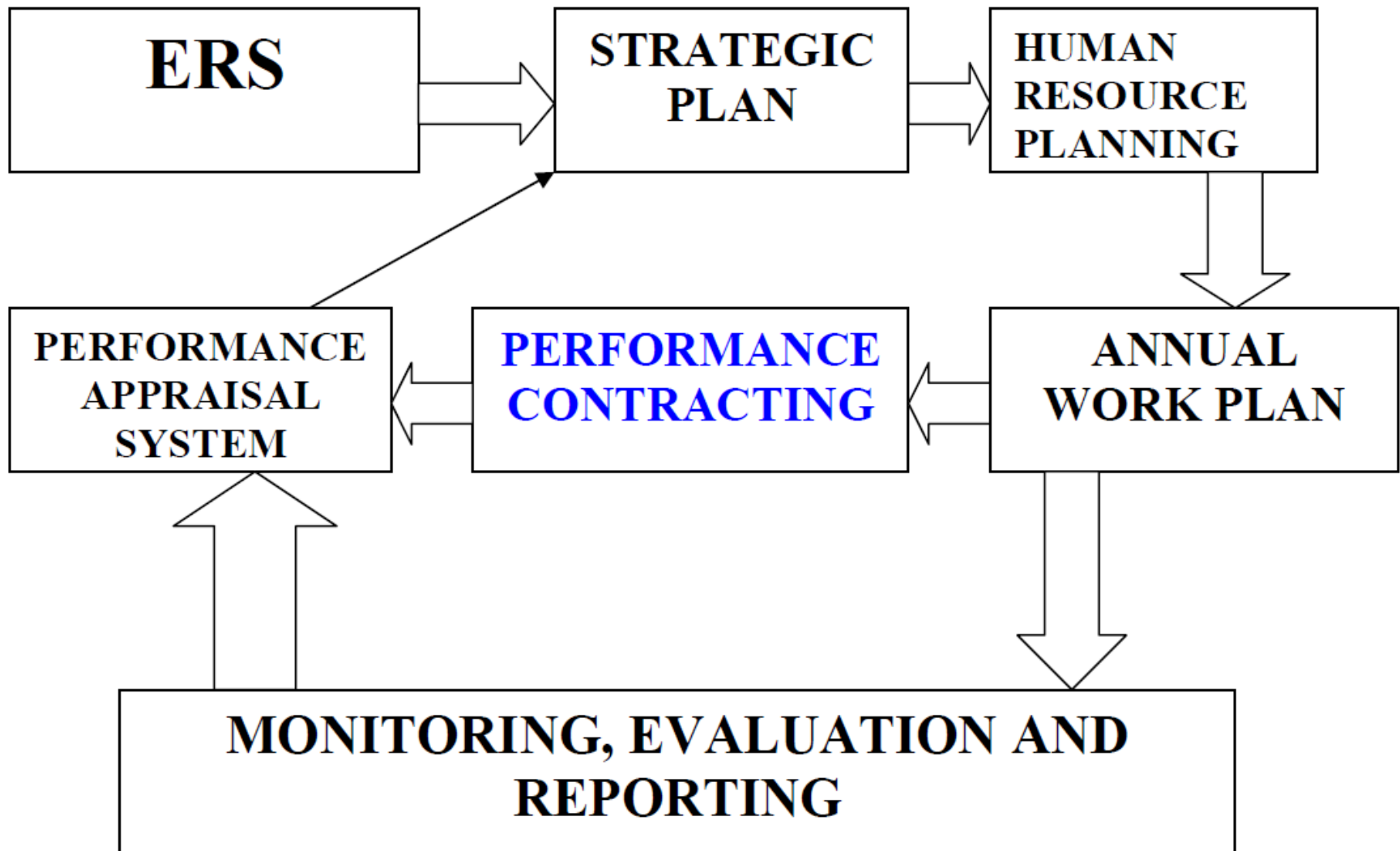


The implementation of performance contracting undergoes a stepwise process and includes the following:

- a. Signed between National Government and Agencies/Ministries, (hitherto the Local Authorities as well)
- b. Signed for a period of one year July to June,
- c. Negotiated by the parties,
- d. Includes monitoring, intermediary reviews and an annual rigorous appraisal.



# Implementation Framework and its Challenges



# Implementation Framework and its Challenges



Implementing PC has not lacked its share of challenges. These include the following:

- 1) Erosion of ethics and accountability in public sector had hindered its success.
- 2) Lack of appropriate resource allocation to support this initiative.
- 3) Mindset and attitudes in public sector that hinder achievement – “Government Corporate Culture”.
- 4) Long tedious bureaucratic procedures in Government that still make it difficult to achieve targets.
- 5) Lack of a quantum of skilled staff in most Agencies/Ministries to implement the performance contract.
- 6) Resistance by some entities to adopting the tool.
- 7) No legal backing, leaving its implementation to goodwill or lack of it.

# Notable Achievements of the Performance Contracting



The introduction of performance contracting in the public sector was the dawn of improved public performance after many years of low productivity and growth. Among the notable achievements the following stand out;

- There was notable improvement in public service delivery in various ministries and Agencies – Rapid results Initiative.
- Corruption was also noted to have reduced during the implementation period.
- Absorption of the development budget increased with more successful infrastructure projects implemented.
- Highly motivated Government workforce with healthy internal competition.
- Other African countries begun benchmarking with Kenya creating a positive international image.

# A case for introducing Performance Contracting for County Governments



Should County Government implement performance management and in particular Performance Contracting?

- ☐ Definitely Yes!
- ☐ It is a proven public sector performance management tool globally.
- ☐ It is focused on efficient delivery of services a mainstay of public sector.
- ☐ It is an all inclusive approach to target setting – leaves no stone unturned.
- ☐ Its been tried before when all 175 Local Authorities signed up in 2007/08 – pre-devolution era.
- ☐ There has to be a form of performance management at Counties. Enhances accountability, governance, service delivery and development.

# A case for introducing Performance Contracting for County Governments



Pitfalls to watch out for by County Government while considering the Performance Contracting.

- ☐ Employ adequately skilled staff to implement the programme.
- ☐ Lots of goodwill and right tone at the top from Governors office.
- ☐ Explore legislative support to ensure long term success of the programme.
- ☐ Plan, plan, plan, to ensure implementation is well thought out.
- ☐ Begin with culture change. Break down unnecessary bureaucracy and focus on service delivery and development.
- ☐ Adequate resource allocation towards the implementation of performance contracts.
- ☐ Fight corruption and unethical behaviour.

# Concluding Remarks



A successful performance management programme would include these key areas;

- Fair application of Reward and sanctions.
- Introducing an objective and transparent evaluation processes.
- The need to recognize and reward the Evergreen champions of this initiative in a sustainable manner.
- Setting of the right 'Tone at the top' on performance expectations.
- The President as head of Government should sign a PC with citizenry via parliament and Governors the same via county Assemblies.

These will take public sector performance to a new level and is the best demonstration of leadership from the front.

# At CPF ....



- ❑ At CPF we offer capacity building for performance management and assist in implementation of the tool of choice including the Performance Contract, through our Consultancy Division.
- ❑ We also offer the best document and record management system that is critical to good performance management.

# Key References



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# Interactive Session

