TEACHERS' PERCEPTION TOWARDS IMPLEMENTATION OF PERFORMANCE CONTRACTS: A CASE OF PUBLIC SECONDARY SCHOOLS IN GATANGA DISTRICT- MURANG'A COUNTY, KENYA

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Teachers' perception towards implementation

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DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

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To my entire family of Njoroge Muhoro, my parents Mr. and Mrs. Boboti and my siblings Njoroge, Kariuki, Wanjiku and Muthoni.
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The preparation of this project called for cooperative efforts from several key individuals and institutions. However, while it might be impartial to mention all of them, some minimum crediting is inevitable.

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ACRONYMS AND ABBREVIATIONS

AAPAM – African Association for Public Administration and Management

ERSWEC – Economic Recovery Strategy for Wealth and Employment Creation

GoK - Government of Kenya

KNUT – Kenya National Union of Teachers

MCM – Municipal Council of Maua

MoE - Ministry of Education

OECD – Organization for Economic Cooperation and Development

PC – Performance Contract

PCS – Performance Contracts

PRS – Public Sector Reforms

SPSS- Statistical Package for Social Sciences

TSC – Teachers Service Commission
Performance contract is an agreement between two parties that clearly specify their performance obligations. It is a management instrument used to define responsibilities and expectations between parties to achieve mutually agreed results. It is a relatively new concept in Kenya especially in the public sector. In 2003, the government of Kenya introduced performance contracts with an aim of enhancing performance of the civil servants through improved accountability and productivity. Though education sector is key, implementation of performance contracts has been inhibited by various hitches and challenges especially among teachers. It is for this reason that this study carried out an analysis of teachers’ perception towards implementation of performance contracts in selected secondary schools in Gatanga District. The study was guided by the following objectives; to establish the level of teachers’ awareness of performance contracts, to investigate the extent to which teachers’ attitudes influence their perception towards implementation of performance contracts, to investigate the extent to which the training and skills of the teachers is a factor to their perception towards implementation of performance contracts, to find out whether working conditions in secondary schools is a factors influencing teachers’ perception towards implementation of performance contracts, to find out whether external environment is a factor influencing teachers’ perception towards implementation of performance contracts. The study was based on Cole job improvement plan model, which emphasizes setting standards in specific key result areas and specifying results for all employees at the operating level of the institution. Review of literature was done on various studies done on performance contracts under the sub sections; definition of performance contract, the purpose and process of performance contracting, and how teachers’ attitudes, training, working conditions and external environment influences performance contracting. The study employed a descriptive survey design, targeting 410 teachers in 31 public secondary schools in Gatanga District. A sample size of 123 teachers and 16 principals was used. Teachers were selected using proportionate, stratified and random sampling techniques while principals were selected using purposive sampling. The study utilized questionnaire and interview schedule for data collection. After the data were collected, they were coded, analyzed and descriptive statistics like frequencies and percentages were used. The findings showed that the teachers had very little knowledge on performance contracting and therefore, they were opposed to it. The study also showed that, negative perception towards performance contracting by teachers is caused by factors like training, working conditions, teachers’ attitude and external environment. The researcher recommends that the Ministry of Education educates teachers on performance contracting before implementing it to change teachers’ negative perceptions and inform them of its benefits. The ministry should also consider setting targets that are informed by each school’s unique setup.
1.1 Background to the Study

For any research study to be done effectively it is essential to have a clear understanding of main concepts. For this study it is important to understand what is meant by performance contract and its origin. According to Mbua and Sarisar, (2013) performance contract system originated in France and later developed to other countries in the world including Pakistan, Korea, Nigeria, Ghana and now Kenya. There is no single definition of performance contracting and different scholars and human resources practitioners have give different definitions (AAPAM, 2005). Kenya, Sensitization Training Manual, (2005) defines Performance contract as a freely negotiated performance agreement between government, organization and individuals on one hand and the agency on the other hand. It is simply an agreement between two parties that clearly specify their mutual performance obligations.

According to OECD (1999) performance contract is a range of management instruments used to define responsibility and expectations between parties to achieve mutually agreeable results. Performance contracts are introduced with the aim of; improving service delivery, improve efficiency and ensure resources are focused on attainment of the key policy priorities, institutionalize performance-oriented culture, measure and evaluate performance and link reward and sanctions to measurable performance.
According to Dlamin, (2001), performance contracts originated from France in the late 1960s to improve performance of State Owned Enterprises (SOEs). It was named “contract plan” in which an agreement regarding the performance was established between the government and the State Owned Enterprises based on a five - year work plan. However, due to lack of indicators and measurements, it was not possible to measure the performance of State Owned Enterprises. Whenever the plan was not achieved, the contracts were modified and reprogrammed. Performance contracts are common phenomena in the current business world, (OECD, 1999; Dlamin, 2001).

In mid - 1980s Korea applied the contractual approach and developed the signal system through incorporating the collection of goals and incentives that would guide managers and administrators (Dlamin, 2001). In it, the national goals were translated into explicit and quantifiable targets in performance criteria. Since then, Performance contracts have evolved and been adopted by a number of countries in different forms and names. Performance contracts are widespread in both developed and developing countries such as Kenya. Performance contracting has been used in many developing countries in the last years (OECD, 1999)

Performance contracting has been practiced widely in the public sector by both developed and developing countries like France, Netherlands, New Zealand, China, India, Morocco, South Africa among others with mixed results (Omboi, 2011). Though it had been traditionally used for State Owned Enterprises, some countries like Kenya have applied the idea to their public institutions and parastatals.
Dlamin (2001) believes that performance contracts are useful performance measurement tools with dual function of fostering efficiency of service delivery and improving accountability. For that reason, many countries have adopted the systems in their public sector reform whose main objectives are to make public sectors more efficient, transparent and accountable. Thus, managing human resource and ensuring efficiency and effectiveness in meeting the strategy envisaged in an organization’s vision. The cost factor associated with efficiency that human resource manager had to justify their budget at the end of a financial year had to have some deliverables showing effective performance of human resources employed in that particular year. The current trend to peg human resource performance to remuneration has increasingly becoming widely acceptable in Kenya, (Kobia & Nura, 2006).

**Genesis of Performance Contracting In Kenya**

According to Akaranga (2008), the concept of performance contracting was first introduced in the management of state corporations in 1989. A parastatal reform strategy paper which was approved by cabinet in 1991 was the first official recognition of the concept. The first two parastatals to be on performance contract were Kenya Railways Corporation and the National Cereals and Produce Board in April 1989 and November 1990 respectively. According to Kenya sensitization training manual (2005), later initiative to introduce performance contracts in Kenya came from the president in 2003 and was clearly spelt out in the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC). In August 2003, the government appointed a committee to spearhead the introduction and implementation of
performance contract, namely; the performance contract steering committee. The government decided to introduce performance contracts in state corporations on a pilot basis in 2004. Sixteen state corporations signed the performance contracts by December 2004. Later, they were extended to permanent secretaries and accounting officers and in April 2005, 175 local authorities were placed on performance contracts (Akaranga, 2008).

Performance Contracting Concept in Education

Performance contracting is a new and increasingly popular concept in education. Many educational institutions now have performance contracts with private learning system firms or groups of teachers (Odden, 2001). In these contracts students measured achievement determines the amount of the contract payments. Today the public is concerned over the failure of the schools to provide training that will convert students into effective and productive citizens necessitating the need for teachers to be accountable.

According to Odden (2001), poor student achievement is not something new to the public but they are more aware of the consequences of poor achievement. He also observes that the public is aware that neither increasing the Gross National Product nor spending more money on education is an automatic cure to poor performance. The public is demanding schools to improve their performance without additional resources. This makes educational managers to direct public policy and actions in education towards specific goals which is the basic form of performance contracting.
At the same time, the public is demanding from the schools for more than first rate teaching of basic literacy. In the earlier days, learning was up to the students but today, the situation is reversed. Many groups are demanding that schools somehow infuse all students with the skills necessary for the world of today (Odden, 2001). A landmark in this trend was the proclamation in 1969 by James E. Allen, then USA Commissioner of Education who said that every student should leave school with the skill and desire to read to the limits of his capacity and public policy and action should be directed to this goal. Another reason towards performance contracting in education is the slow pace of technological change in public school education. There has been rapid evolution of institutions and procedures but education is a notable exception. Classrooms of today are similar to past classrooms’ organization, materials and techniques (Odden, 2001).

A third strand in the pattern is the education accountability movement. One response by many educational leaders has been to try to develop programmes to promote educational accountability. The basic idea is that schools will be held responsible for educational outcomes i.e. what the students learn. Performance contracting has been seen by many to be one way of promoting this aim.

The fourth factor to performance contracting is the drawing away from traditional procurement techniques towards new and more system-oriented and output-oriented procedures. The new techniques are thought to lead to better analysis of the cost and benefits of government expenditure and provide contractors with more incentives for
efficiency and innovation. In 1969, all these trends came together to produce the first performance contracts for education services (Odden, 2001).

1.2 Statement of the Problem

Although performance contracting is considered a modern way of evaluating performance, available literature indicates that teachers have perceived the exercise with a lot of suspicion. Teachers have increasingly questioned the rationale behind the introduction of performance contracts by the MoE. The intentions to extend performance contracts to secondary teachers have drawn mixed reactions from teachers. Given the fact that the issue of performance contracting has dominated public discourse in the recent past, this study therefore, aimed at establishing teachers' perception towards implementation of performance contracting in the education sector.

1.3 Purpose of the Study

The overall purpose of the study was to determine secondary school teachers' perception towards implementation of performance contracts in Gatanga District.

1.4 Objectives of the Study

This study was set to achieve the following objectives:

i. To establish the level of teachers' awareness of performance contracts.

ii. To investigate the extent to which teachers' attitudes influence their perception towards implementation of performance contracts.
iii. To investigate the extent to which the training and skills of the teachers is a factor to their perception towards implementation of performance contracts.

iv. To find out whether working conditions in secondary schools is a factor influencing teachers’ perception towards implementation of performance contracts.

v. To find out whether external environment is a factor influencing teachers’ perception towards implementation of performance contracts.

1.5 Research Questions

The research was guided by the following research questions;

i. To what extent are teachers aware of performance contracting?

ii. How are teachers’ attitudes a factor influencing their perception towards performance contracting?

iii. How is training and skills of teachers a factor to their perception towards performance contracting?

iv. How are working conditions in secondary schools a factor influencing perception of teachers towards performance contracting?

v. How is external environment a factor influencing teachers’ perception towards performance contracting?
1.6 Significance of the Study

The findings of this study will be significant in the following ways;

i. To the Ministry of Education and particularly the Teachers' Service Commission in understanding teachers' concerns to implementation of performance contracting in education.

ii. The MoE will also emphasize on stakeholders participation in setting targets under pc in order to mainstream service delivery in education based on teachers' understanding of performance contracts.

iii. The ministry will also consider areas where they need training to all teachers with the objective of increasing their understanding of performance contracts initiatives in relation to their duties and responsibilities.

iv. It will help in improving performance to all companies that were either planning, considering or had already adopted performance contracting.

v. The schools' management will also benefit by understanding flaws or strengths in their change management and motivation level of their staff as far as performance contracts were concerned.

vi. Scholars will find the data useful for their future references.

vii. The research will go a long way in helping teachers to have deeper understanding of the essence or significance of performance contract.
1.7 Assumptions of the Study

The study was based on the following assumptions:

i. All respondents will be co-operative and provide reliable, accurate and honest responses.

ii. That all teachers in public secondary schools are liable to signing performance contract.

iii. That all teachers have been inducted into the performance contracting strategies and understand what performance contracting entails.

1.8 Delimitations of the Study

According to Orodho (2009), delimitation of the study is the boundary limitation. The following were the delimitations of the study:

i. The study confined itself to teachers in public secondary schools in Gatanga District who are directly affected by the implementation of performance contracts by the government.

ii. Although signing of performance contracts involves many educational stakeholders such as MoE and TSC, the study only involved secondary school teachers.

iii. The teachers involved were those in session in respective institutions by the time of the study. Those absent or who have retired were not included in the sample even though they would have interesting inputs.
There are other issues affecting performance contracting but this study only focused on the perception teachers have on performance contracts.

1.9 Limitations of the Study

According to Orodho (2009), a limitation is an aspect of the study that the researcher knows may adversely affect the results or generalizability of the results of the study, but over which he/she has no direct control. The following were the limitations of the study:

i. The study was carried out in only one district i.e. Gatanga District, for a more conclusive result, a larger sample size than a district should be selected for further study.

ii. The area where the study was carried out consists of one county secondary school, eight district schools and twenty-two day secondary schools. This limited the study in terms of working conditions under which teachers work since different categories of schools have different working conditions.

iii. It was not possible to cover the opinions of all stakeholders in the education because tracing them requires considerable time, resources and other logistics.

1.10 Theoretical Framework

The study was based on management by objectives of job improvement plan model advanced by Cole (1993). The job improvement plan is an action document. It sets out
actions which need to be taken in order to ensure that key tasks are fulfilled to the required standards. The model emphasis on setting standards and specifying results for all managers at the operating level of the institution. According to Cole (ibid), the appropriate key task is identified and priority actions are set alongside it, together with a target date. This model will be applied to performance contracts in schools because it makes it possible to qualify the efforts of teachers.

Accordingly, performance standards shall be set as a measure of degree of achievement of key tasks that teachers are expected to perform in schools including academic functions, maintenance of discipline, guidance and counseling and management functions. According to Cole (1993), the plan enables teachers to see how well they are performing in these tasks. The key performance areas provide a basis for realistic discussions between teachers and the Ministry of Education concerning progress in these areas. From the model, the key performance areas will be considered as performance indicators in the performance contract exercise.

The application of this model to performance contracting of teachers is reasonable because it is founded on achievement of results from key areas of the organization by those at the helm of management of any organization. It therefore, provides an opportunity for teachers and MoE to collaborative in identifying the key areas for results and establishing appropriate performance standards against which results can be measured, all of which are the key characteristics of performance contracting.
The effective implementation of performance contract in education sector will largely depend on teachers’ understanding of major aspects of performance contracting, training and skills, attitudes, working conditions in schools and external environment. These factors as illustrated by Figure 1.1 above have a direct influence on how well performance contracts are going to be implemented in the education sector. At the same time these factors also contribute to the perception teachers have towards performance contracting.
The perception teachers form due to these factors determines whether they accept or resist performance contracts. This means that although the factors have a direct influence on performance contracting, they also influence acceptability of performance contracts through perception they create on teachers.

Independent variables according to (Mugenda & Mugenda 1999) refer to variables that a researcher manipulates in order to determine their effects or influence on other variables. They predict the amount of variation that occurs in other variables. In Figure 1.1, the arrow from independent variables to dependent depicts a direct influence of independent variables on dependent variable.

On the other hand, the arrow to proximate variable then to dependent variable indicates an indirect influence through proximate variable. The attitude teachers form on performance contracting such as if it assists in improving their performance will determine the effectiveness of performance contracting. Prior training of teachers on performance contracting will also ease the implementation process since teachers will accept and understand the importance of performance contracting.

Internal and external environmental factors will also affect teachers’ performance and this will determine whether implementation of performance contracts will be effective considering diverse environmental conditions in schools. The independent variables will also influence the perception teachers would have towards implementation of performance contracts which also have a bearing on whether performance contracting
will be effective. This justifies why arrows are starting at independent variables and ending at dependent variable.
1.12 Operational Definition of Key Terms

**Performance:** How well an individual fulfils the requirements of his/her job, how well the objectives of a particular job are met.

**Perception:** The way one understands something. It includes the mental understanding of something.

**Teacher:** A person involved in teaching students in a school. In this study, it will include everybody employed by Teachers Service Commission to teach in school.

**Performance contract:** An agreement between a government and a public agency which establishes general goals for the agency sets targets for measuring performance and provides incentives for achieving these targets.

**Performance measurement:** A means of getting better results from a whole organization by understanding and managing the performance within an agreed framework of planned goals, standards and competence requirements.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the relevant literature is reviewed and the rationale for the study is discussed under which various studies on performance contract are quoted. The determinants of teachers' perception towards implementation of performance contracts are also described. Thus, the following sub-headings will be discussed at length; the concept of performance contracting and what it entails, purpose of performance contract, the process of performance contracting and implementation and how teachers' attitudes, training, working conditions and external environment influence performance contracting.

2.2 The Concept of Performance Contracting

The term performance contracting according to Mbua and Sarisar (2013) can be traced from France in the late 1960s and other countries including India, Pakistan and Korea. Performance contracting has been used in many countries for diverse reasons in both private and public organizations. Before the introduction of performance contracts business environment was stable and strategic planning was entrusted in the hands of the top management of the organization who were only implementers and not formulators of the strategic plans (Mbuu & Sarisar, 2013). Further Mbua and Sarisar (2013) argues that in the early 1970s business environment turbulence increased forcing top executives to rethink how they managed their business for survival.
Managers were now forced to be involved in both implementation and formulation stages of strategic planning.

The loss of faith in strategic planning systems by managers due to their failure to reward them and the employees for strategic thinking, creativity and innovation is another factor that led to introduction of performance contracting. In Canada performance contracts were introduced through expenditure management systems designed to cut costs during budget deficits in early 1990s. In France on the other hand they were introduced in the Directorate General for taxes (DGT) to ensure consistency in a centralized context and enhance pressure on the entire services network to improve performance (Mbu a & Sarisar, 2013).

The study by Mbu a and Sarisar outlines reasons why performance contracts were introduced in other sectors in different countries and not specifically in education. This study, therefore, sought to find out whether teachers are aware why performance contracts need to be implemented in education sector.

2.2.1 Purpose of Performance Contract

In pursuit of the goal of performance improvement within the public sector, new public management emphasizes on the adoption of private sector practices in the public sector. Performance contracting is one of these private sector practices that have been introduced in public institutions (Akaranga, 2008). The main purpose of performance contracting according to Mbu a and Sarisar (2013) is to ensure delivery of quality services to the public in a transparent manner for the survival of the
organization. Further, they argue that the common purposes of performance contracting are to clarify the objectives of the organization, the relationship between the contracting parties and facilitate performance evaluation based on results rather than conformity to the laid down rules and regulations that killed innovation and creativity in the public sector.

According to Akaranga (2008) performance contracting is a rigorous technical exercise and also a morale boosting exercise for managers and staff that evaluate results of their performance. He further notes that performance contracting does not actually go into resource appropriations but rather considers the performance of the workers.

In the United States federal government, performance contracts have changed managers’ attitude towards workers which has encouraged innovation and good customer service (Gore, 1996). On the other hand, Akaranga (2008) argue that performance contracting increases accountability and achieve output because of clear and explicit managerial targets combined with managerial autonomy and incentives to perform. Further, AAPAM (2005) believes that performance contract if well executed increases political accountability by making it easier for managers to match targets with political priorities. Politicians can in turn hold managers accountable for their performance as being witnessed in many developing nations. All these studies have indentified the purpose and benefits of introduction of performance contracts in other sectors especially business and not in education. This study sought to find out whether
teachers understand the purpose of performance contracting and how the level of understanding influences performance contracting.

2.2.2 The Process of Performance Contracting and Implementation

Performance contract clearly spells out the desired end result expected of the contractor or officers who have signed the contract. The manner in which the work is to be done is left out to the officer who is given as much freedom as possible in figuring out how best to meet the organization’s performance objectives. In this section, I look at the performance contracting management process, its implementation, evaluation and monitoring and finally its impact evaluation on service delivery.

Sean (2009) points out that performance contract should be much more than a process for documenting and delivering feedback, coaching and ratings. He believes that when expanded beyond these basics, performance contract becomes a powerful tool for helping employees develop and achieve their full potential. Processes should be fairly standard and be able to address agency objectives. The amount of detail provided depends on the level of guidance required to support the needs of business units. Performance management process typically involves four main stages, namely: work plan management, skills development, performance monitoring and evaluation and rewarding of outstanding performance. In terms of work plan management, it is based upon business plans and other cooperate documents, key deliverables and areas of responsibility to which staff members will contribute are determined (Steiner, 1983).
A staff member and manager agree on the work and responsibilities of the staff member’s position. The plan will also set out how the staff members’ performance will be measured or evaluated against set objectives (Akaranga, 2008).

On the other hand, in terms of skill development, the staff member and the manager identify and agree the learning development and information needs of the staff members to meet their performance and the business needs of the business unit. This would include selecting option and the development of action plan to access the opportunities identified (Armstrong, 2006). Similarly, under performance monitoring the staff member provides regular feedback to the manager on their progress towards the achievement of agreed performance objectives. The manager provides regular formal and informal feedback on their assessment of the staff member’s achievement. Within the context of performance evaluation, Armstrong (2006) argues that the manager and the staff member should regularly evaluate the staff members’ achievement of the objective in the work plan as well as the agreed training and development plan. This phase should then feed into the next cycle of the performance management process. Lastly, with regard to rewarding outstanding performance, there is need to reward outstanding work which is recognized from the evaluation reports. The top performance needs to be rewarded in various ways raging from recognition to award of medals and other materials endowments (Armstrong, 2006).

To understand the success and challenges of implementing performance contracting in Kenya, Kobia and Mohammed (2006) carried out a survey among the civil servants.
They developed a questionnaire form performance contracting literature and administered it to a sample of 280 senior public service course participants at the Kenya Institute of Administration. Data were collected from the course participants who were central in the implementation of performance contract in the government ministries and agencies.

To investigate if the participants knew the goal of performance contracting, they were asked to state the goal of PC in their ministries. Majority of the respondents (205) or 73.2% summed the goal as the improvement of performance enhances efficiency and effectiveness in service delivery through a transparent and accountable system. Further, 206 or 73.6% acknowledged that their ministries had signed the second (2006/7) performance contract with the government. The responses indicate that majority of the participants were conversant with performance contracting.

Regarding training in performance contract, Kobia and Mohammed (2006) observe that only 57 respondents received training in performance contract while a majority (212) or 75% had not received any. It is interesting to note that 208 or 74.3% indicated that they would require further training on all aspects of performance contract. The study shows that over 60% of the respondents acknowledge that with the implementation of performance contract, public servants are more involved in decision-making, felt evaluation of the performance is done fairly, they knew where to seek assistance concerning meeting the targets and had assisted in understanding government policy document. However, over 174 or 62.1% respondents indicated that
they did not have adequate resources needed to meet their target which could easily adversely affect the individual and ministry performance.

To investigate participant experience with the implementation of performance contract, the researcher asked several questions regarding whether participants had signed performance contracts with their supervisors and whether they had experienced any problem with implementation of performance contract. They indicated some of the problems experience during the implementation of the performance contract as, lack of adequate resources, resources not being released on time and unplanned transfer of staff (Kobia & Mohammed 2006).

In general, the study shows that performance contract has induced the public service to become more oriented towards customers, markets and performance without putting the provision of essential public services into jeopardy. The introduction of performance contract and management by results is used to improve the performance of an organization as it emphasizes better the human resource management.

The study by Kobia and Mohammed was done in public service and it was not specifically in the education sector. This study, therefore sought to understand the challenges of implementing performance contracts in education in Kenya.

In another study, Omboi (2011) set out to determine the level of employees' understanding of the major aspects of performance contract, examine effects of PC on management procedure and practices, PCS effects on staff performance and the effect
on service delivery, customer and employee satisfaction at Municipal Council of Maua. The study consisted of 70 employees of Maua Municipal Council and business community within the municipality who were recipients of the service. This business community comprised owners of 500 licensed business premises within Maua municipality.

The study showed that 75% of employees were able to deliver service targeted. This could be due to the fact that performance contract document is designed to cascade the intended purpose of performance contract initiatives using relevant communication methods that were easily understood. This implied that managers did understand PCS. It also revealed that 59% of employees were not involved in setting performance contract targets. The findings confirm that low levels of academic qualification resulted to less number of employees being involved in setting targets. The study by Omboi indicates that employees' participation in setting standards influenced performance contracting in Maua Municipal Council. The Municipal Council is not an education sector and it is for that reason that this study sought to find out whether teachers' involvement in target setting will influence perception towards performance contracting.

OECD (1999) identifies training as a key determinant in performance contract-related activities. Training improves managers' ability to take advantage of the opportunities that can add value to the institution's day-to-day operations. The study indicates that 65% of the employees had been trained on performance contract. It was also revealed
that 79% of respondents consented to increased revenue while 20% decried no revenue increase. The results suggest that employees contributed to increased revenue generation as a result of target set under the PC initiatives on revenue collection with the guidance of managers (Omboi, 2011).

The study implied that 54% of the employees concurred that PC initially had positively injected new management procedure and practices influencing timelines in service delivery. The results confirmed findings of Malathy (1997) that under performance contracts, targets are set and although the areas of concern are the outcomes rather than the processes, processes do determine the outcomes.

Employees’ perceptions in an organization are crucial to its success since the driving force behind the success rests on them. This is developed over time and can change new procedures, practices and experiences are adopted and acquired. Williams (2004) points out that performance contract have been viewed as a management process that is supposed to improve staff performance. Study revealed that 61% of staff were satisfied with their performance since introduction of performance contract. Employees’ opinions on performance improvement showed that with the introduction of performance based module, employees indicated that work environment in their areas had improved as they were able to work towards given targets which if met on time had a reward and if not sanctions. Staff performance under performance contract has been viewed as an important instrument for the implementation of performance management used to set and improve targets between parties, GoK (2005).
In the same study, Omboi found that 46% of service recipients had noticed fairly positive changes in service delivery while 61% of employees were satisfied with services the council was delivering since introduction of PCS. Response on service delivery, customer and employee satisfaction relied mostly on how respondents viewed services being offered in line with particular business activity that he/she was operating. This implies that both respondents and MCM employees showed each analyzing service delivery depending on particular activity carried by the MCM. The study by Omboi came up with factors that determined success of performance contracts in MCM to be; prior training, involvement of members in setting targets, good communication systems and employees’ attitudes towards the organization. These factors worked for Municipal Council of Maua and not in education sector. This study, therefore, sought to find out whether these factors can also influence performance contracting in education sector.

2.3 Employees Attitudes and Performance Contracts

Job attitude concept was captured by Douglas McGregor (1957) in his research entitled the human side of enterprise where he advanced the thesis that workers operate on two extremes of a continuum on work attitude. Theory x depicted an employee as disliking work, lacking ambition, irresponsible, resistance to change and prefer to be led other than lead. On contrary, the other extreme, that was to say, Theory y projected an employee as a positive attitude inclined being, exhibiting willingness to work accepting responsibility willingly, exercising self- direction, control and imagination and exhibiting ingenuity and creativity, (Schemerhorn, 1984).
In a study conducted by Kobia and Nura (2006), on the Kenya experience of performance contracting, majority of the respondents 179 (63.9%) felt that the performance contract had helped improve communication with the public while 164 (68.6%) agreed that performance contract would increase accountability among public officers. An overwhelming majority 217 (77.5%) of the respondents felt that performance contracts had introduced setting of the individual job expectations and staff performance plans. Over 166 participants felt that as a result of performance contract, performance targets were fairly distributed in their departments.

A majority 205 (74.2%) of the respondents indicated that with the introduction of performance contract, public servants were increasingly seeking to multi-skill and diversity to remain on the job. Over 60% of the respondents indicated that with the implementation of contracts, public servants were more involved in decision- making, felt evaluation of the performance was done fairly, they knew where to seek assistance concerning meeting the targets and had assisted in understanding policy documents. However, over 174(62.1%) respondents indicated that they do not have adequate resources needed to meet their targets (AAPAM, 2005).

Chiu et al (2002) stated that performance assessment was inherently difficult in the public sector, owing to the difficulty of finding suitable quantitative indicators. The performance appraisal process required a large element of managerial judgment. Whether performance contract would have a positive impact on staff was strongly dependent on how well the appraisal process was carried out and in particular on how
well individual and team objectives were identified and based on performance rather than standard job criteria. Certain conditions, such as transparency, clear promotion mechanisms, and the trust of top and middle management were essential before introducing a performance-oriented culture. Performance contracts policies were counterproductive in an inadequate management framework and may in such situations increase problems linked to a lack of trust and even lead to corruption and patronage.

There was now a renewed interest in the performance level of the public sector in many developing economies, as they face a more competitive global environment. Efforts to improve the performance level of the public sector focus on both personal and contextual variables. Studies have shown that employees' attitudes towards work do affect their performance and in turn the attitudes of employees were influenced by personal characteristics and job characteristics, (Desantis, 1996). This study sought to find out whether teachers' attitude is a factor towards their perception on performance contracts.

2.4 Staff Training and Skills and Performance Contracting

Cattell (1999) explains that training and development could be initiated for a variety of reasons for an employee or a group of employees. When a performance appraisal indicated performance improvement was needed to benchmark the status of improvement so far in a performance improvement effort, calls for an overall professional development programme. That was part of succession planning to help an
employee to be eligible for a planned change in relation to the roles in the organizations. To pilot or test the operation of a new performance management system, training on/about a specific topic including communications was indeed important.

The increasing diversity of today’s workforce brings a wide variety of languages and customs, computer skills which were becoming a necessity for conducting administrative and office tasks. Customs service necessitated by increased competition in today’s global marketplace makes it critical that employees understand and meet the needs of customers. Diversity training usually included explanation about how people had different perspectives and views and included techniques to value diversity, ethics given that today’s society had increasing expectations about corporate social responsibility. Also, modern world’s diverse workforce brought a wide variety of values and morals to the workplace, Cattell (1999).

Kaplan and Norton (2001) felt that there was need to improve staff skills and make them well - equipped to handle the challenges in achieving the organizational objectives in line with the vision. Training may seem costly and futuristic but it was less vital as it ensures organizational competitiveness.

Okunishi (2001) states that an organization can not purport to punish employees’ poor performance without giving them opportunities to sharpen their skills through training. Kaplan and Norton (2001) give five essentials for staff training as far as performance contracts are concerned. These included; it must offer improvement of skills required
currently and in the future; there must be a clear means of assessing employees' training needs; there must be ease in accessing the training required; the training must be a mix of internal, on-job and external training; employees must be involved considerably in the planning for the training.

These studies have indicated the importance of training prior to performance contracting. It is for this reason that this study sought to find out the extent to which teachers' perception on performance contracts is influenced by training.

2.5 Working Conditions and Performance Contracting

Pinaki (2000) argues that a basic management question is what makes a person put in his best for his organization. The question leads to various situations involving the rational economic man, the mass industrial man, the social man, the self-actualizing man, and the complex man. Each scenario tries to delve deep into the individual's mind to determine what makes him tick.

Wilson (1995), states that for compensation system to work, it must link individual goals and achievements to group goals and achievements. He says employees are social beings and may not succeed if alienated to operate individually. After all that was not in the interest of the organization. Pinaki (2000) feels that employees' working condition is vital by exemplifying the visions of a character so rooted in his working environment that he can live only with the habits carried over from his working place. Pinaki continues his argument by looking at the results that came out of the Hawthorne study conducted in 1920s. The study revealed that the most potent
factor motivating people to work well was the working group he belongs to. In the study the working group knew it was being studied and that it was being singled out for special attention made each group member work harder, each supporting the others' efforts in a synergistic way. It seemed that an unseen psychological contract was drawn, binding people. The pay and the other conditions did not matter.

A sense of well-being was fostered by belonging to groups comprising similar individuals. Thus, the theory of the social man was born. There was a spin-off from the findings. The western electric company abandoned the vast impersonal work-benches and organized the workers into groups of friendly teams. Each team's leader had to create group identity. The company rediscovered what the workers had known all along. Inside the factory they may be just numbers on a payroll account, but they also living beings having a dynamic social interaction amongst them. Each worker brought a 'man' into the factory and no attempt by the organization to make cogs out of the workers worked. It only led to alienation.

Kaplan and Norton (2001) state that a balance score card must first look at the internal processes, how they currently existed and be realistic about goals. Employees must not be subjected to targets which may not be achievable within the current working conditions. There may be too many unnecessary activities which may not be within the hands of the employees to change.

Pfeiffer (2003) feels that working conditions is one of the most important factors in ensuring a successful implementation of performance contracts. He says if the working
conditions were not right then the whole arrangement would crumble. Kaplan and Norton (2001) note that employees must be availed with the tools for them to perform. Those tools must be the best the company could afford and must be reliable in order to make employee work better. Okunishi (2001) however, gave the following three points as principle features common to all performance-based wage systems; results more than processes were emphasized as a wage-determining factor; short-term results more than long-term results were emphasized as they widen the wage gap, which would in essence lower teamwork.

Kaplan and Norton (2001) argue that team effort must be included in the balance score card and must in essence be encouraged rather than emphasizing of individualism. Performance contracts if not implemented would tend to focus more on monetary gains employees receive other than the wholesome approaches it entails. Therefore, despite the defaults mentioned, most Kenyan companies have already implemented performance contracts in their normal activities. This study, sought to find out how working condition in schools is a factor influencing teachers’ perceptions on performance contracts.

2.6 External Environment and Performance Contracting

Emery and Giauque (2001) argue that the administrative and legal environment in a country provides a framework within which an organization operates. In some countries, the environment was very restrictive and had significant impact on all aspects of the organization; in other countries the administrative/legal context was
more permissive. Understanding the administrative/legal environment was essential to
determine if organization operations may be shaped by a unique combination of
forces, including international, governmental, non-governmental, policy, legislative,
regulatory and legal frameworks. Emery and Giauque (2001) also argue that an
organization is affected by the policy or regulatory context that gives rise to it. That
includes specific laws and regulations that support or inhibit the institution’s
development. Both the type and the level of technology in the society give insight into
understanding an institution. According to Dlamin (2001), economic environment
aspects such as inflation, labour laws and opportunity cost have a direct impact on
organization’s activities. Okunishi (2001) explains that without political goodwill then
it is very difficult to change performance of individuals in a government-owned
organization even after the introduction of performance contract.

According to OECD (1999), social and cultural forces at local, national and often
regional levels have profound influence on the way organizations conduct their work
and on what they value in terms of outcomes and effects. Kaplan and Norton (2001)
argue that the shareholders of a company are interested in the financials of the
company while the customer wants improvement of service delivery. The two
stakeholders are vital in the construction of performance contract. Okunishi (2001) and
Kaplan and Norton (2001) are in agreement that an employee’s performance should
not be judged in isolation of the external environment. Okunishi (2001) and Kaplan
and Norton (2001) want an employee who has performed well in tough environment
to be rewarded better than an employee with similar performance but in a less
competitive environment. This study, therefore, sought to find out the extent to which teachers’ perception on performance contracting is influenced by external environment.

2.7 Summary and Gaps

The literature reviewed shows that; performance contracting has been widely studied in other sectors but only a few studies have been done in the education sector. Second, most employees accept performance contract but with conditions that prior training will be done on all aspects concerning performance contracts. Third it was also revealed that factors like staff attitudes, training and skills, working conditions and external environment could influence the implementation of performance contracts. It was also found that apart from these factors having a direct influence on implementation of performance contracts they also influence perception employees form towards performance contracting. The perception formed determines whether they will accept or reject performance contracts. The following literature gaps were indentified and will be the ones the proposed research was conducted to fill; many studies included public sector and other services and not education sector, few studies have been done to find out why teachers resist signing of performance contracts in Kenya, there is need to examine how teachers’ attitudes, training and skills, working conditions and external environment influence performance contracting in education since studies reviewed were concerned with other sectors of economy especially business organizations. Finally, there is need to establish the number of teachers who have already signed performance contract.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights methodological details of the study. It discusses the research design, location of the study, target population and sample size and sampling techniques, research instruments, data collection techniques, data analysis and logistical and ethical considerations.

3.2 Research Design

The research design used in this study was a descriptive survey. The method was chosen because the study aimed at collecting information from respondents on their attitudes and opinions in relation to implementation of performance contract in the management of educational organizations. According to Mugenda and Mugenda (1999), descriptive research is a process of collecting data in order to answer questions concerning the current status of the subjects in the study. It determines and reports the way things are such as possible behaviour, attitudes, values and characteristics.

3.3 Study Location

The study was conducted in Gatanga District of Murang’a County. Gatanga District is one of the seven districts in Murang’a County. It borders Gatundu North District to the South, Thika West District to South East and Murang’a South District to the North. It is approximately 40 kilometers to the South West of Thika town. The terrain is largely
The main economic activity is farming where tea and coffee are the main cash crops in the upper and lower zones of the district respectively. There is also food crop farming and livestock keeping but these are done on subsistence basis. The weather condition of the area is mostly cool and wet throughout the year but with short warm seasons on the lower zones (District Office, Gatanga, 2012).

3.4 Study Population

The focus of the study was teachers in the 31 public secondary schools within Gatanga district. The accessible population according to the District Education Officer Gatanga District is made up of about 410 teachers in 31 secondary schools in the district who are distributed as shown in Table 3.1. The 31 secondary schools are categorized as follows; one county girls school, four District girls boarding schools, two District boys boarding schools, two District mixed boarding schools and twenty two District mixed day schools.

3.5 Sample Size and Sampling Techniques

The thirty-one secondary schools in Gatanga district were stratified into five categories as shown in Table 3.1. They were stratified to ensure that all sub-groups in the population are represented in the sample in proportion to their numbers in the population itself (Orodho, 2009).

Simple random sampling method was then used to select schools from each category but the only county school in the district was purposively selected and a total of 16 schools were selected, sixteen schools represent 51.62% of schools in Gatanga which
is a good representation of total schools in the district since Mugenda and Mugenda (1999) recommend a sample of 50% to be ideal. A sample of 16 (51.62%) schools is a precise representation of schools in Gatanga District. According to Mugenda and Mugenda (1999), a descriptive study requires at least 10% of the accessible population.

Proportionate sampling was used to select teachers from each school selected and 30% of the teachers from every school were sampled. Purposive sampling was used to sample teachers in terms of gender from each school. A total of 123 teachers were sampled representing 30% of the total population of teachers in Gatanga District. Being a descriptive study, 30% was considered to be a good representation of the total population of the teacher population. Gay (1976) advocates that a sample of 10% of a population is considered the minimum for a descriptive research.

All the principals from the 16 sampled schools formed the principals' sample. There were seven females and nine males; this was dictated by the type of schools sampled.
Table 3.1: Showing Sample and Sampling Frame

<table>
<thead>
<tr>
<th>SCHOOL CATEGORY</th>
<th>NUMBER OF SCHOOLS</th>
<th>TEACHERS' POPULATION</th>
<th>SCHOOLS SAMPLED</th>
<th>% OF SCHOOLS SAMPLED</th>
<th>TEACHERS</th>
<th>% OF TEACHERS SAMPLED</th>
</tr>
</thead>
<tbody>
<tr>
<td>County girls school</td>
<td>1</td>
<td>27</td>
<td>1</td>
<td>100</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td>District girls boarding schools</td>
<td>4</td>
<td>76</td>
<td>2</td>
<td>50</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>District boys boarding schools</td>
<td>2</td>
<td>43</td>
<td>1</td>
<td>50</td>
<td>13</td>
<td>30</td>
</tr>
<tr>
<td>District mixed boarding schools</td>
<td>2</td>
<td>33</td>
<td>1</td>
<td>50</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>District mixed day schools</td>
<td>22</td>
<td>231</td>
<td>11</td>
<td>50</td>
<td>69</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>410</td>
<td>16</td>
<td>51.62</td>
<td>123</td>
<td>30</td>
</tr>
</tbody>
</table>

3.6 Research Instruments

The study employed two types of instruments; questionnaire and interview schedule which are discussed here.

3.6.1 Questionnaire for Teachers

The researcher used a self-administered questionnaire as a data collection instrument from teachers. The choice of questionnaire was made because it is useful in reaching a large group of respondents within a short time with little cost. Mugenda and Mugenda
The teachers questionnaire was made up of both structured and unstructured questions so that quantitative and qualitative data could be collected for the study. The questionnaire was used to collect information on demographic characteristics of teachers, their understanding on basics of performance contracts and how teachers' attitudes, training and skills, working conditions and external environment factors affect performance contracting in education.

The questionnaire contained the following sections; section 1 collected demographic data, section 2 established respondents' understanding on performance contract basics and section 3 that used likert scale to determine how various factors affect performance contracting. Question 27-30 was on attitude, 31-33 training, 34-36 working environment and 37-38 external environment. Secondary data i.e. data on performance contracting was gathered through document analysis.

3.6.2 Interview Schedule

The researcher used interview schedule to collect data from principals. The choice of interview schedule for this group was considered because it yields higher response rates because it is difficult for respondents to completely refuse to answer questions or to ignore the interviewer, Mugenda and Mugenda (1999). The schedule contained main and probing questions based on the following themes; definition of performance contracting and factors affecting teachers' perception towards performance contracting.
3.7 Pilot Study

Before the actual data were collected, a pilot study was conducted in two schools whereby the researcher administered questionnaires to teachers. The purpose of the pilot study was to examine the research instrument for appropriateness of the items so as to identify any ambitious and unclear items, any questions which had problem or not clear to respondent were reframed or removed.

3.7.1 Validity

According to Orodho (2009), validity refers to extent to which a questionnaire measures what it is supposed to measure. Validity, in this sense, is the degree to which the empirical measure or several measures of the concept, accurately measure the concept. The instruments were presented to experts (i.e. my supervisors) who ascertained their face validity. The opinion of the supervisors was also sought on clarity and suitability of the language used and content on each item to establish content validity.

3.7.2 Reliability

Reliability is the measure of the degree to which a research instrument gives consistent results or data after repeated trial (Mugenda & Mugenda 1999). It also refers to how consistent a research procedure or instrument is. Therefore, reliability implies to stability or dependability of an instrument or procedure in order to obtain information.
To improve the instrument the researcher should assess the consistency of the responses on the pilot questionnaire so as to make judgment on the reliability. The test-retest technique was used to test reliability. This was done by administering questionnaire in the two pilot schools twice in different times. The filled questionnaires were scored and analyzed to compare the answers. The following formula was used:

\[
    r = \frac{\varepsilon_{xy} - (\varepsilon_x)(\varepsilon_y)}{\sqrt{\left[\varepsilon x^2 - (\varepsilon x)^2\right] \left[\varepsilon y^2 - (\varepsilon y)^2\right]}}
\]

The correlation coefficient between the test and retest scores in the first pilot school was 0.76 and that of the second school was 0.72. Both figures are close to 0.80 which according to Mugenda and Mugenda (1999) is the recommended cut-off. With these correlations, the researcher concluded that the instrument was sufficiently reliable.

### 3.8 Data Collection Techniques

The researcher sought permission from the Ministry of Education, the University and principals in the sampled schools to carry out the research. The researchers administered the questionnaires to sampled teachers in the sampled schools and gave them two days to fill them. After the two days, the researcher personally collected the questionnaires. The researcher sought appointments with principals and interviewed them.
3.9 Methods of Data Analysis

Both qualitative and quantitative data was collected for the study. The qualitative data was analyzed using content analysis technique to derive common themes from respondents' answers. This technique was applied to the data obtained from interviewing head teachers and open ended questions in the questionnaire. The quantitative data was analyzed using descriptive statistics. Statistical Package for Social Sciences (SPSS) was used to facilitate analysis. Results were presented in form of tables and figures.

3.10 Logistical and Ethical Considerations

The researcher sought permission from Kenyatta University and the Ministry of Education to carry out this research before commencing on data collection. Permission was also sought from the headteachers of the selected schools to administer questionnaires. The respondents were assured of confidentiality of any information given by requesting them not to indicate their names on the questionnaire.
CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter presents the research findings and discussion of factors affecting perception of teachers towards implementation of performance contracts in Gatanga District public secondary schools. The chapter highlights the response rate; the demographics of the respondents: the teachers’ response on the factors affecting the implementation of performance contracting in public secondary schools and then it discusses the results.

4.2 Response Rate

The researcher distributed 123 questionnaires to teachers in 16 schools in Gatanga district. Out of the 123 questionnaires, 99 were filled and returned, translating to a response rate of 80.5%. The researcher set out to interview the 16 principals from the schools where data was collected but only 12 accepted to be interviewed, which translates to a response rate of 75%. According to Mugenda and Mugenda (2003), the researcher can proceed to analyze data and report results if 50% of the targeted respondents are sampled. In this study, 80.5% of the teachers and 75% of the school heads were sampled hence the researcher could analyze the data and report valid results.
4.2.1 Response Rate by School

Type of a school influences how teachers view and perceive issues that affect them. It is for this reason that the researcher sampled teachers from different types of schools namely County girls’ school, District girls boarding school, District boys boarding school, District mixed boarding school and district mixed day school. Table 4.1 shows the response rate from each of the schools.

Table 4.1: Response Rate for Teachers Sampled In the Study

<table>
<thead>
<tr>
<th>School</th>
<th>Sample</th>
<th>Respondents</th>
<th>Response Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>County girls school</td>
<td>8</td>
<td>7</td>
<td>87.5</td>
</tr>
<tr>
<td>District girls boarding school</td>
<td>23</td>
<td>18</td>
<td>78.5</td>
</tr>
<tr>
<td>District boys boarding school</td>
<td>13</td>
<td>10</td>
<td>76.5</td>
</tr>
<tr>
<td>District mixed boarding school</td>
<td>10</td>
<td>8</td>
<td>80</td>
</tr>
<tr>
<td>District mixed day school</td>
<td>69</td>
<td>56</td>
<td>81.2</td>
</tr>
<tr>
<td>Total</td>
<td>123</td>
<td>99</td>
<td>80.5</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire
Table 4.1 shows that each school had a response rate higher than 75% and this, according to Mugenda and Mugenda (2003), the sample from each school were adequately represented.

4.2.2 Respondents Demographics

It is important to note that education is a social science and in social science research characteristics of respondents have very significant role to play in expressing and giving the responses about a problem. It was, therefore, important to analyze the demographics of the respondents in this study to give a view of how respondents perceive performance contracting. For the purposes of this study secondary school teachers were the main focus. The demographic characteristics of the respondents is discussed according to gender, age, teaching experience, qualifications, job group, responsibility and number of schools taught in since first appointment. Respondents' demographics were recorded to help the researcher interpret the findings of the study

a) Respondents Classification by Gender

Differences in gender among individuals affect how they perceive problems within their social set up. In any social situation which is variably affected by any social or economic phenomenon gender is an important variable. Gender also gives an indication of how gender representation findings of any study are likely to be. It was therefore important to analyze the gender of the respondents in this study to give a view of how respondents perceive performance contracting in terms of gender. Figures
4.1 and Figure 4.2 give a summary of teachers and principals respondents' gender respectively.

**Figure 4.1:** Teacher Respondents Classification by Gender

![Teacher Respondents Classification by Gender](image)

(N=99)  
Source: Teachers' Questionnaire

**Figure 4.2:** Principal Respondents Classification by Gender

![Principal Respondents Classification by Gender](image)

(N=12)  
Source: Principals' Interviews
According to Figure 4.1, 64.6% of the teacher respondents were male and 35.4% of them were female and Figure 4.2 shows that for the principals, 66.7% were male and 33.3% were female. An examination of the figures reveals that there is gender disparity in the District.

b) Respondents Classification by Age

Age of the respondents is one of the most important characteristics in understanding their views about particular problem; by and large age indicates level of maturity of individuals in that sense age becomes more important to examine the response. It was therefore important to analyze the age of the respondents in this study to give a view of how respondents perceive performance contracting in terms of age. The respondents who took part in this study were drawn from different age groups as shown in Table 4.2.

Table 4.2: Respondents Classified by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 25 years</td>
<td>17</td>
<td>17.2</td>
</tr>
<tr>
<td>25 to 35 years</td>
<td>32</td>
<td>32.3</td>
</tr>
<tr>
<td>36 to 45 years</td>
<td>42</td>
<td>42.4</td>
</tr>
<tr>
<td>46 years and above</td>
<td>8</td>
<td>8.1</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire
Table 4.2 shows that majority of the teachers (74.7%) are aged between 25 years and 45 years. This implies that teaching profession is composed of average aged teachers and any change in the education policies such as introduction of performance contracts will affect them because they will be in the profession for a longer period before they retire.

c) Teaching Experience and Qualification of Respondents.

Years of experience and qualification are relevant factors in human resource policies, including compensation systems, benefits packages, and promotions decisions. In education teacher experience and qualification are key factors in personnel policies that affect current teachers. This makes it fundamental for any research based on personnel policies to analyze respondents working experience and qualification. It was therefore important to analyze the teaching experience and qualifications of the respondents in this study to give a view of how respondents perceive performance contracting in terms of experience and qualification. The teachers who took part in the study have different levels of experience as measured according to the number of years in service. This information is summarized in Table 4.3
Table 4.3: Respondents Classified by Teaching Experience

<table>
<thead>
<tr>
<th>Number of years worked</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than five years</td>
<td>35</td>
<td>35.4</td>
</tr>
<tr>
<td>5 to 10 years</td>
<td>11</td>
<td>11.1</td>
</tr>
<tr>
<td>11 to 15 years</td>
<td>33</td>
<td>33.3</td>
</tr>
<tr>
<td>16 years and above</td>
<td>20</td>
<td>20.2</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers

According to Table 4.3 majority of teachers (53.5%) have an experience of more than 11 years. This can be attributed to the fact that the government had frozen the employment of teachers in 1998. Few teachers (11.1%) had taught for 5 to 10 years, these are teachers who have been employed from 2003 when the government started employing new teachers. Respondents were also asked to state their education levels. Figure 4.3 gives a summary of the education levels of the respondents.
According to Figure 4.3, 8.1% of the respondents have diplomas, 75.8% are degree holders and 16.2% have master's degrees. The majority of respondents according to these results are degree holders because secondary school teachers are usually university graduates. Since education is one of the important characteristics that affect the persons attitude and the way of looking and understanding things it was imperative to determine how teachers' perception towards performance contacting is influenced by education levels. Kaplan and Norton (2001) found that employees who are trained are likely to accept changes compared to those with low or lack training.
d) Respondents by Job Group

In teaching profession teachers' remuneration is determined by the job group and this plays an important role in shaping the economic conditions of a teacher which in turn is likely to have bearing on the response about a problem posed to him/her. It was therefore important to analyze the job groups of the respondents in this study to give a view of how respondents perceive performance contracting in terms of job groups. The data related to job groups of the respondents is presented in Figure 4.4.

Figure 4.4: Respondents Job Groups

![Pie chart showing job groups]

(N=99) Source: Teachers' Questionnaire

According to Figure 4.4 majority (73.8%) of the teachers are in the job groups K and L. This high number of teachers in job groups K and L can be attributed to the fact that majority of teachers in secondary schools are graduates and are employed at job
group K and automatically rise to job group L after three years of employment. From job group L, teachers attend interviews so as to be promoted to the next job group and this is the reason why there are few teachers in job group M and N. Job group J has only 4% of the teachers and these are the teachers whose qualification is a diploma.

These findings are an indication of why many teachers may support performance contracting hoping that it will facilitate fair promotion of teachers. Williams (2004) points out that, employees are ready to adopt any policy change that is going to improve their working environment. To further understand how teachers job group may affect perception of teachers towards performance contracting; the researcher investigated the number of years they have been in the current job group.

**Table 4.4: Number of Years Respondents Have Been In the Current Job Groups**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 5 years</td>
<td>75</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>12</td>
</tr>
<tr>
<td>11 to 15 years</td>
<td>10</td>
</tr>
<tr>
<td>16 to 20 years</td>
<td>0</td>
</tr>
<tr>
<td>21 to 25 years</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

Table 4.4 shows that 75.8% of the respondents had been in their current job groups for less than 5 years and only 24.2% have been in their current job group for more than 6 years. This is encouraging because it shows that respondents were progressive in the
teaching career which means they may have job satisfaction which positively affects their perceptions towards policies in education.

e) Respondents by Responsibility

Person's responsibilities do have a bearing on his/her personality and so also the way of looking at the problem before him. Responsibilities of an individual also socialize him/her in a particular fashion which in turn reflects his level of understanding of particular phenomenon. In other words, the person's response to a problem is possibly determined by the responsibilities he is engaged in and hence the researcher in this study investigated respondents' responsibilities.

The respondents who took part in the study included head of departments (HoD) and other teachers who were not head of departments. Table 4.5 shows the number of heads of departments and the number of teachers who were not head of departments.

Figure 4.5: Number of Respondents Who Were HODs and Those Who Were Not HODs

(N=99) Source: Teachers' Questionnaire
According to Figure 4.5 majority of teachers (65.7%) are not head of departments. This can be attributed to the fact that there are few departments in secondary schools in Kenya. It is also important to note that this large number of teachers who are not HODs many suggest that majority of teachers are not involved in decision making in their institutions.

f) Respondents by Number of Schools Taught Since First Appointment

Number of schools a teacher has taught since first appointment is of great importance to any study focuses on personnel policies. The number of schools a teacher has worked with is largely responsible to how he responds to policy changes in working environment. It is on this basis that this study sought to establish the number of schools a teacher has taught since first appointment.

Table 4.5 shows the number of respondents who had taught in the same school since graduation and the number of respondents who had taught in more than one school since they were first appointed.

Table 4.5: Respondents who have taught in one school and respondents who have taught in more than one school

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only taught in one school</td>
<td>28</td>
<td>28.3</td>
</tr>
<tr>
<td>Taught in more than one school</td>
<td>71</td>
<td>71.7</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers’ Questionnaire
According to Table 4.5, 71.7% of respondents had taught in more than one school whereas 28.3% had only taught in their current schools. This is an indication that many teachers have exposure of working under different environment. It can also be concluded that there is high turnover of teachers in Gatanga District.

4.3 Objectives

4.3.1 Objective 1: Awareness of Performance Contracting

The first objective of the study was to find out whether teachers in Gatanga District were aware of performance contracting. Performance contracting is a relatively new concept in Kenya’s public sector. The government has implemented performance contracting in several ministries and state organizations but it has not implemented it in the education sector. Civil servants working in sectors where performance contracting is yet to be implemented may not fully comprehend the purpose, the process and the desired outcomes of performance contracting. The first objective of this study was to determine whether teachers in Gatanga District knew the real meaning and purpose of performance contracting and whether they could state the goals of performance contracting.

a) Respondents' Definition of Performance Contracting

The researcher asked each respondent to state the meaning of performance contracting. Some respondents gave a definition of performance contracting and others did not.
Table 4.6 shows the number of respondents who proffered an answer and the number of respondents who did not.

**Figure 4.6: Respondents who defined performance contracting and those who did not**

![Pie chart showing 86% defined PC and 14% did not define PC.](source: Teachers Questionnaire)

(N=99)  

According to Figure 4.6, 85.90% of the respondents gave a definition of performance contracting which shows that they have some knowledge about it. Only 14.10% of respondents did not give a definition. However, the 85.90% of respondents who defined performance contracting gave different answers. Content analysis was done for these responses and the researcher identified several themes which are summarized in Table 4.6.
Table 4.6: Respondents’ Definitions of Performance Contracting

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance contracting is where employees are promoted and rewarded</td>
<td>22</td>
<td>26</td>
</tr>
<tr>
<td>based on their ability to meet performance targets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance contracting is part of public sector reforms meant to</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>improve efficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance contracting is a system where employees sign contracts with</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>employers and the contracts are renewed if they meet set targets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance contracting is a way of measuring performance</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>With performance contracting, employees are paid based on the extent to</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>which they meet targets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance contracting involves employees setting targets and working</td>
<td>36</td>
<td>42</td>
</tr>
<tr>
<td>towards achieving them</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

The respondents gave varying definitions of performance contracting and these were combined into six categories as shown in Table 4.6. From the Table, 42% of respondents defined performance contracting as a system where employees set targets
and then work towards achieving them and 26% defined it as an arrangement in which employees are rewarded and promoted based on their ability to meet certain targets. 14% of respondents defined performance contracting as system where employees sign contracts with employers which are renewed if employees meet the targets contained in those contracts, 7% of respondents defined it as the system where employees are paid depending on how well they meet targets, 6% defined it as a way of measuring performance and 5% said it was a form of public sector reform aimed at improving efficiency.

In the interview with the head teachers, one of the questions the researcher asked them was to define performance contracting and how they came to learn about it. The head teachers all defined performance contracting in similar terms. One of them defined it as an agreement between employer and employee on how work is to be done to achieve certain targets. Another definition was that it is a set of systems that guide employees to achieve organizational goals. Yet another principal saw it as an agreed upon criteria of measuring and evaluating performance of employees. In summary they all defined it as a system of management where the employer and employees enter into mutual contracts that define a set of targets for the employees to meet within a given time frame. All the head teachers pointed out that employees are rewarded if they meet the targets through promotions or bonuses. Three of the head teachers noted that employees who do not achieve the targets should be dismissed from employment or sanctioned in any appropriate manner. The head teachers had learnt about
performance contracting from observing trends in the public sector, from the media, from seminars and workshops and from government circulars.

All the definitions given, except the two which say that performance contracting is a part of public sector reforms and the one that says it is a way of measuring performance, all mentioned performance targets. OECD (1999) defines performance contracting as a management style whereby employers and employees agree on responsibilities and expectations which lead towards achievement of mutually agreed upon results or targets.

Two conclusions could be drawn from these findings. One is that the majority of teachers in Gatanga District (85.90%) are aware of performance contracting even though it has not been implemented in the education sector. Secondly these teachers have a good idea of what performance contracting means as their definitions of performance contracting are close to that of OECD (1999).

b) Respondents’ Knowledge of Goals of Performance Contracting

Respondents were asked to state whether they have ever thought of the goals of performance contracting. This was to determine whether respondents knew goals of performance contracting and if they thought it was applicable to them as teachers. Some respondents had thought of the goals and others had not and this information is shown in Figure 4.7.
Figure 4.7: Respondents’ knowledge of performance contracting

From Figure 4.7, 46.50% of respondents had thought of the goals of performance contracting whereas 53.5% had never.

Further, those respondents who had thought of performance contracting goals were asked to state any two goals they knew. The respondents gave diverse answers and through content analysis, their responses were combined into categories as presented in Table 4.7.
Table 4.7: Goals of Performance Contracting as Stated by Respondents

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure accountability and professionalism</td>
<td>8</td>
</tr>
<tr>
<td>Make teachers more committed to their jobs</td>
<td>12</td>
</tr>
<tr>
<td>Improve students’ performance</td>
<td>22</td>
</tr>
<tr>
<td>Enable teachers work with targets</td>
<td>4</td>
</tr>
<tr>
<td>To improve efficiency and utilization of resources</td>
<td>10</td>
</tr>
<tr>
<td>Raise standards</td>
<td>4</td>
</tr>
<tr>
<td>Enable employees evaluate their own performance</td>
<td>4</td>
</tr>
<tr>
<td>Give employees better terms of service</td>
<td>3</td>
</tr>
<tr>
<td>Ensure that promotion is based on merit</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

All the responses given, touch on the broad goals of performance contracting as outlined by Mann (1995). The results presented under the first objective indicate that teachers are aware of performance contracting and nearly one half of them could mention some goals of performance contracting. According to Omboi (2011) prior understanding of the major aspects of performance contracts by the parties involved makes implementation of the contracts easier. Teachers’ prior knowledge of performance contracting will make it easier for the government to implement it in future.

The study found that teachers in Gatanga District know about performance contracting even though it has never been implemented in the education sector. However, the
study also revealed that some of the teachers do not have enough information about performance contracting. The respondents were asked to state the goals of performance contracting for example and it turned out that only 46.5% of the respondents had ever thought of the goals of performance contracting and could mention some whereas 53.5% of the respondents had never given it a thought and were not able to state the goals.

The study revealed two important details about teachers' awareness of performance contracting. The first one is that many of the teachers know what it is and can define it and the second is that inasmuch as they know about it, nearly one half of the teachers do not know the intent of performance contracting and this leaves room for misperceptions concerning performance contracts.

4.3.2 Objective 2: Teachers' Attitudes towards Performance Contracts

Success or failure of performance contracts depends to a large extent on each participant's attitude towards the contracts. A performance contract cannot achieve its intended purpose if either employees or employers are not happy with it. Both parties must agree on the terms of the contract and perceive the contract as fair to both of them in order for it to succeed. Teachers' attitude towards performance contracts will determine to a large extent whether or not they will succeed if implemented in the education sector. It is on this basis that the researcher sought to establish teachers' attitudes towards performance contracts. The study sought the respondents' opinion on a number of issues to gauge their attitude on performance contracting.
a) Teachers Enthusiasm about Signing Performance Contracts

The researcher asked the respondents to rate their enthusiasm for performance contracts on a scale ranging from 1 (disagree totally) to 5 (agree totally). The responses are summarized in Table 4.8

**Table 4.8: Rating on Teachers’ Enthusiasm**

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>41</td>
<td>41.41</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>32</td>
<td>32.32</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>14</td>
<td>14.14</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>10</td>
<td>10.10</td>
</tr>
<tr>
<td>Agree totally</td>
<td>2</td>
<td>2.02</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

According to Table 4.8 only 2.02% of the respondents totally agree that teachers are very enthusiastic about signing performance contracts, 10.10% agree to a large extent and 14.14% neither agree nor disagree. 41.41% of respondents totally disagree and 32.32% disagree to a large extent.

From these responses, it is clear that very few teachers are enthusiastic about signing performance contracts as only 12.12% of respondents agreed with the statement. Most teachers, that is a total of 73.73% of the respondents, are not enthusiastic with signing performance contracts whereas 14.14% of respondents are indifferent. These results
show that many teachers do not welcome performance contracting yet for a performance contract to achieve its intended purpose, it is essential that all parties welcome the contract.

b) Performance Contracts and Performance in School

Performance contracts do affect performances of the employees because they work towards predetermined targets. This was supported by Malathy (1997) who said that under performance contracts, targets are set and although the concern is the outcome rather than the process, processes do determine the outcome.

It is for this reason that the respondents were asked to give their opinion on whether performance contracts would increase performance in schools on a scale ranging from 1 (disagree totally) to 5 (agree totally). Their responses are summarized in Table 4.9

Table 4.9: Importance of Performance Contracts in Improving School Performance

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>33</td>
<td>33.33</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>34</td>
<td>34.34</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>16</td>
<td>16.16</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>14</td>
<td>14.14</td>
</tr>
<tr>
<td>Agree totally</td>
<td>2</td>
<td>2.02</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire
According to Table 4.9, 33.33% of the respondents totally disagreed, 34.34% disagreed to a large extent, 16.16% neither agreed nor disagreed, 14.14% agreed to a large extent and 2.02% totally agreed.

In total, only 16.16% of respondents believed that performance contracts would increase performance in schools whereas 67.67% of respondents were of the opinion that performance contracts would not have a positive effect on performance. This finding shows that more teachers are skeptical about performance contracting than those who are optimistic about it. 16.16% of respondents did not agree nor disagree with the statement. For performance contracting to succeed, teachers would have to change their attitude and embrace it.

Teachers’ expectation of performance contracting as brought out by this question was different from what Kobia and Nura (2006) established in their study. Their study found that 63.9% of respondents felt that performance contracting had improved communication with the public and 68.8% had felt that performance contracting would increase accountability among public officers.

C) Performance Contracts and Promotions

Promotion is one of important factor that affects workers perception towards human resource policies. Under performance contracts workers expect promotions to be done fairly without any discrimination (Kobi and Nura, 2006). It is for this reason that the respondents were asked to give their opinion on whether performance contracts would reduce chances of promotions being given on the basis of nepotism, tribalism and
gender biases on a scale ranging from 1 (disagree totally) to 5 (agree totally). The responses are as shown in Table 4.10

**Table 4.10: Opinion on Weather Performance Contracts Reduces Chances of Promotion Based on Nepotism, Tribalism and Gender Biases.**

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>6</td>
<td>6.06</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>16</td>
<td>16.16</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>21</td>
<td>21.21</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>40</td>
<td>40.40</td>
</tr>
<tr>
<td>Agree totally</td>
<td>16</td>
<td>16.16</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers' Questionnaire

From Table 4.10, 46.46% of respondents felt that performance contracts would reduce unfair promotions based on nepotism, tribalism and gender biases who are more than the 22.22% who felt it would not and 21.21% of respondents who did not agree or disagree. About one half of the teachers expect performance contracting to bring fairness in promotions. Employees working under performance contracts get rewards if they attain the targets set under those contracts and promotions are some of the benefits that accompany attainment of goals. In such a system, it is not easy for underperforming employees to get promotions at the expense of hard working employees. The study by Kobia and Nura (2006) showed that over 60% of respondents
felt that evaluation was fair hence there was reduction in biases when every employee is evaluated based on a performance contract.

d) Performance Contracts and Schools’ Targets

Predetermined targets help workers to work in one direction towards achieving common goals. Since performance contacts defines targets and processes to be followed to achieve those objectives it was important to ask respondents their opinion on whether performance contracts are useful in enabling schools meet their targets.

Data on their responses is shown in Table 4.11.

Table 4.11: Opinion on Importance of Performance Contracts in Meeting School Targets

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>12</td>
<td>12.12</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>28</td>
<td>28.28</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>21</td>
<td>21.21</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>30</td>
<td>30.30</td>
</tr>
<tr>
<td>Agree totally</td>
<td>8</td>
<td>8.08</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers’ Questionnaire
The findings on Table 4.11, shows that a total of 38.38% of respondents found performance contracts to be useful in enabling schools meet their targets, but 40.40% of respondents did not see the usefulness of performance contracts in enabling school meet their targets. Respondents who neither agreed nor disagreed were 21.21%.

From these findings, it is clear that teachers who find performance contracting to be useful in meeting school targets are fewer than those who do not. This attitude is contrary to findings that have established that performance contracting indeed helps organizations to meet their targets. For example, the study by Omboi (2011) showed that 75% of the respondents were able to meet their performance targets. It is possible therefore for schools to also meet performance targets if they implement performance contracts.

The study sought to find out teachers' attitudes towards performance contracts because these attitudes will matter a lot if the government decides to go ahead and implement performance contracts in the education sector. Studies have proved that employee' attitudes have a major effect of organizational performance and in particular, employees' readiness to adapt new management styles.

The teachers who took part in the study were asked for their opinions on a number of issues to gauge their overall attitudes towards performance contracting. When asked whether they thought teachers were enthusiastic about signing performance contracts, 73.73% of the respondents disagreed and only 12.12% agreed with the proposition. This finding shows that most of the teachers do not welcome performance contracts.
Asked whether they felt performance contracts would improve school performance, only 16.16% of the respondents agreed while 67.67% disagreed. On the question of whether performance contracts would reduce tribal and gender biases and corruption in promotions, 46.46% of the teachers felt that it would and 22.22 felt that it would not. The respondents were also asked whether they thought performance contracts are useful in helping schools meet targets and 38.38% agreed while 40.40% disagreed.

These results revealed that teachers have mixed feelings towards performance contracts. On one hand, they are not enthusiastic about signing the contracts and they doubt whether the contracts will really improve performance. However, a large proportion (67.67%) felt that performance contracts would reduce corruption and unfairness in promotions. These negative attitudes seem unfounded in light of findings by Kobia and Nura (2006) which found that performance contracts had a positive effect on performance and service delivery.

4.3.3 Objective 3: Training and Performance Contracting

The third objective of the study was to establish the extent to which teachers' training and skills affected their perceptions towards performance contracting. Training on performance contracting is important prior to its implementation. Teachers need information such as the purpose of performance contracting, the procedure of signing performance contracts, how performance will be evaluated and their obligations under the contracts. Teachers may have various misperceptions about performance contracts before they are trained. These misperceptions could lead them to resist the contracts.
a) Proportion of Teachers Who Had Received Training on Performance Contracting

The researcher sought to find out what proportion of teachers had received any training on performance contracts. The number of respondents who had received training and those who had not received any training is shown in Figure 4.8.

**Figure 4.8: Teachers Who Had Received Training on Performance Contracting Versus Teachers Who Had Not Received Any Training**

(N=99)  
Source: Teachers Questionnaire

Figure 4.8 shows that 98% of respondents had never received any training on performance contracting and only 2% had received the training. Despite two percent of the teachers having received training, 85.9% of the respondents were able to define performance contracting and 46.5% of them could state its goals. However, the results of the study have shown that most of the teachers are skeptical about performance
contracting and this could be explained by the fact that only 2% of them have been trained.

The researcher sought to find out whether the respondents were willing to go for training in performance contracting. Their responses were as shown in Figure 4.9

**Figure 4.9: Teachers Who Were Willing To Go For Training versus Teachers Who Were Not Willing To Go For Training**

(N=99) Source: Teachers Questionnaire

Figure 4.9, shows that most of the teachers are willing to learn about performance contracting which will in turn help them understand and accept it. To further understand why majority teachers would like to be trained the researcher asked the respondents to give reasons why they would like to be trained on performance
contracting. Content analysis was done on their responses and the results are presented in Table 4.12.

**Table 4.12: Reasons why respondents would like to be trained on performance contracting**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>To learn more about performance contracting</td>
<td>53</td>
</tr>
<tr>
<td>To able to set targets and meet them</td>
<td>39</td>
</tr>
<tr>
<td>To know how to do self evaluation</td>
<td>18</td>
</tr>
<tr>
<td>To know how to improve performance</td>
<td>12</td>
</tr>
<tr>
<td>To know how performance contracting will be effective in my school</td>
<td>8</td>
</tr>
<tr>
<td>To know how best to utilize resources available in my school to meet targets</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

From Table 4.12, the three most important reasons why respondents wanted to be trained were: to learn more about performance contracting cited by 53 respondents, to know how to set and meet targets cited by 39 respondents and to know how to do self evaluation cited by 18 respondents. These responses show that many of the teachers do not know much about performance contracting but they are eager to be trained. Many
teachers would like to know how to set targets and what to do to achieve those targets and also how to evaluate themselves.

The researcher also asked respondents who did not wish to be trained on performance contracting to give reasons for not wanting the training and these reasons are presented in Table 4.13

**Table 4.13: Reasons why respondents would not like to be trained on performance contracting**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers can set their own targets without performance contracts</td>
<td>15</td>
</tr>
<tr>
<td>Teachers are already self driven so they do not need performance contracts</td>
<td>8</td>
</tr>
<tr>
<td>Distrust of performance contracting</td>
<td>4</td>
</tr>
<tr>
<td>Performance contracts are likely to be punitive</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

According to Table 4.13, 15 respondents did not want to be trained because they felt that teachers are able to set their own targets without performance contracts, 8 respondents felt that teachers do not need performance contracts as they are already self driven, 4 respondents do not trust performance contracts and 3 respondents felt that performance contracts can be used punitively.
The researcher asked for respondents' views on how training would affect their perceptions of performance contracting and their responses are presented in the following subsections.

b) Teachers should be offered Training on Performance Contracting before its Introduction

Respondents were asked whether they thought teachers should be offered training on performance contracting before its introduction and their responses were as shown in Table 4.14

Table 4.14: Teachers' Opinion on whether Training should be offered prior to Performance Contracting.

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>4</td>
<td>4.04</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>2</td>
<td>2.02</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>31</td>
<td>31.31</td>
</tr>
<tr>
<td>Agree totally</td>
<td>62</td>
<td>62.63</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire
From these responses, a total of 94.95% of respondents saw a need for training before performance contracting is introduced and only 4.04% disagreed. Only 2.02% of respondents neither agreed nor disagreed. This finding shows that teachers are willing to be trained on performance contracting. Teachers are more likely to accept performance contracting once they receive training on it.

c) Teachers should be Involved and Consulted in Coming up with Training Needs

Respondents were asked whether teachers should be involved and consulted in coming up with training needs and their responses were as summarized in Table 4.15

Table 4.15: Opinion on Whether to Involve Teachers in Developing Training Needs

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>4</td>
<td>4.04</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>32</td>
<td>32.32</td>
</tr>
<tr>
<td>Agree totally</td>
<td>63</td>
<td>63.64</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire
From the foregoing responses, a total of 95.96% of respondents were of the opinion that teachers should take part in coming up with training needs, 4.04% neither agreed nor disagreed and no respondent was of the opinion that teachers should not be involved in coming up with training needs.

This finding shows that teachers are aware of the collaborative nature of performance contracting. In performance contracting, parties sign mutually agreed contracts stipulating each party’s responsibilities and obligations towards achieving targets set out in the contract.

d) Training should combine Internal, on Job and External Training

Respondents were asked whether they thought training should combine internal, on job and external training. Table 4.16 is a summary of their responses.

Table 4.16: Teachers’ Opinion on Whether Training should combine Internal, on Job and External Training

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>2</td>
<td>2.02</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>8</td>
<td>8.08</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>40</td>
<td>40.40</td>
</tr>
<tr>
<td>Agree totally</td>
<td>49</td>
<td>49.49</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire
From Table 4.16, 49.49% of the respondents totally agreed, 40.40% agreed to a large extent, 8.08% neither agreed nor disagreed, 2.02% disagreed to a large extent and no respondent totally disagreed.

In total, 8.08% of the respondents did not state whether they thought training should combine internal, on job and external training, 89.89% of respondents agreed that it should and only 2.02% disagreed.

e) Head teachers’ view on training teachers on performance contracting

The principals were asked for their views on whether teachers should be trained on performance contracting before it is implemented in schools. All the 12 principals agreed that training was important. The principals were asked to give reasons why they felt training was important. All the 12 stated that with training, teachers’ attitude towards performance contracts might change. Five of them however noted that training might not necessarily alter the negative perceptions some of the teachers had towards performance contracts. These five head teachers stressed that training was important but the government should do more in addition to training if it expects performance contracts to succeed in the education sector. For example, these head teachers proposed that the government should begin by providing adequate resources to all schools that are deprived and also improve teachers’ remuneration as a first step before contracts are brought in.

This findings show that teachers understand the role of training in performance contracting. Before introducing performance contracts, employees should receive
training in various aspects including on the job training, internal training and external training.

Cattell (1999) observes that training of employees in an organization is important especially when an organization is planning for a change in relation to its roles or when piloting or testing the operation of a new performance system. Therefore, teachers will require training on performance contracting if it is to be implemented.

Kaplan and Norton (2001) felt that training is needed to improve staff skills and make them well equipped to handle the challenges in achieving the organizational objectives in line with the vision. Okunishi (2001) stated that employees cannot be punished by organizations that have not given them opportunity to sharpen their skills through training.

The study investigated the influence of training on teachers’ perceptions of performance contracting. Training is important because it provides teachers with information about the entire process of performance contracting. The study revealed that 98% of the respondents had never received any training on performance contracting. However, 81.8% of them were willing to go for training. Those who were willing to be trained gave various reasons among them: to learn more about performance contracting, to know how to set and meet targets and to know how to evaluate oneself. The 2% of respondents who were not willing to be trained felt that teachers could set targets without contracts, teachers were already self motivated and performance contracts could not be trusted and could be used punitively.
In addition, 94.95% of teachers felt that teachers should be trained before performance contracting is introduced, 95.96% felt that teachers should be involved in coming up with training needs and 89.89% of respondents felt that training should combine internal, on job and external training. The head teachers concurred with the teachers on the need for training but also pointed out that training was not sufficient in itself as other issues need to be addressed if performance contracts are to be brought into schools.

The study revealed two important findings about training. The first is that very few teachers (only 2%) had been trained on performance contracting which is a very small number yet as Okunishi (2001) and Kaplan and Norton (2001) point out, it is essential for employees to be trained on issues related to performance contracts in order for them to take part satisfactorily. Okunishi (2001) warns that without proper training, it is possible to punish non performance and underperformance yet the employees lack skills and not lack of ambition.

The second finding was that teachers are willing not only to be trained but also to be involved in deciding on training needs. Teachers' involvement would be critical for success of performance contracts because performance contracts are mutually agreed upon between the parties involved (Kenya Sensitization Training Manual, 2005)
4.3.4 Objective 4: Working Conditions and Performance Contracting

Working conditions are very important in determining employees' performance. Working conditions also determine employees' willingness to adopt new ideas such as introduction of performance contracts in their work place. If employees enjoy good working relations with management, they are more likely to accept changes in the workplace but if their relationship is strained, they will view attempts to introduce performance contracts with suspicion. For this reason, the researcher sought to establish how teachers' working conditions influence their perception of performance contracting. To gauge how teachers viewed performance contracting in relation to their working environments, respondents were asked to give their opinion on three issues which are discussed in the following subsections.

a) Performance Contracts and Working Conditions in the Schools

Respondents were asked whether they felt that targets in the performance contracts would take into account the current working conditions in the schools and their responses were as shown in Table 4.17.
Table 4.17: Teachers’ Opinion on Whether Performance Contracts Should Consider School Working Conditions

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>4</td>
<td>4.04</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>4</td>
<td>4.04</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>14</td>
<td>14.14</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>24</td>
<td>24.24</td>
</tr>
<tr>
<td>Agree totally</td>
<td>53</td>
<td>53.54</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

Table 4.17 shows that in total, 14.14% of the respondents did not agree or disagree as to whether targets in performance contracts should take into account the current working conditions in the schools, 77.77% agreed they should and only 8.08% disagree.

Most of the teachers (77.77%) agree that targets in performance contracts should take account of the working conditions in schools. It is essential that performance contracts are tailored according to the prevailing circumstances in each school since Kenyan public schools are not equally endowed with resources and have students of varying abilities.
b) Performance Contracts and Expectations of the Public on the Teachers

Respondents were asked whether they thought performance contracts would state clearly the expectations of the public on the teachers and the tools they would be provided to meet those expectations. Their responses were as summarized in Table 4.18.

**Table 4.18: Teachers’ Opinion on Whether Performance Contracts will State Public Expectations on Teachers**

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>12</td>
<td>12.12</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>8</td>
<td>8.08</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>16</td>
<td>16.16</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>41</td>
<td>41.41</td>
</tr>
<tr>
<td>Agree totally</td>
<td>22</td>
<td>22.22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>99</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

From Table 4.18, a total of 63.63% of respondents felt that performance contracts would clearly state the public’s expectation on teachers and give teachers the tools to meet those expectations but 20.20% of the respondents they would not.

Majority of the teachers (63.63%) felt that performance contracts should clearly spell out the public’s expectations of teachers. This is important to prevent the public from
having very high expectation of teachers which may put too much pressure on the teachers to perform. It is also important for teachers to have access to the right tools that will help them achieve the targets set out in the performance contracts.

c) Performance Contract and the Social Set Up In Schools

Respondents were asked whether they thought performance contracts should depend on the social set up in schools and their responses were as shown in Table 4.19

Table 4.19: Teachers Opinion on Whether Performance Contracts Should Depend on Social Set up in Schools

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>6</td>
<td>6.06</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>8</td>
<td>8.08</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>8</td>
<td>8.08</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>43</td>
<td>43.43</td>
</tr>
<tr>
<td>Agree totally</td>
<td>34</td>
<td>34.34</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

From Table 4.19, 6.06% of respondents disagreed totally, 8.08% of respondents disagreed to a large extent, 8.08% neither agreed nor disagreed, 43.43% agreed to a large extent and 34.34 agreed totally.
With the exception of the 8.08% of respondents who neither agreed nor disagreed, the majority of teachers, that is 77.77%, agreed that performance contracts should depend on social setups in schools and 14.14% of the teachers disagreed.

This finding is important because performance contracts are supposed to take into account unique social setups in the workplaces. Public schools in Kenya are not uniform in terms of resources, ability of students, students and parents’ attitudes and the public’s expectations hence, performance contracts should be designed with the social setting in mind.

d) Teachers prior Experience Working with Targets

The researcher sought to find out whether the respondents had ever worked in an environment where targets are clearly set and if they had been involved in setting the targets. The number of respondents who had worked in an environment where there were predetermined targets and those who had not are shown in the Figure 4.10
Figure 4.10: Respondents who had worked in environments where targets were predetermined versus those who had not

(N=99) Source: Teachers Questionnaire

Figure 4.10 shows that 83.8% of respondents had worked in an environment where there were predetermined targets while 16.2% of respondents had not. This shows that most of the teachers are already familiar with performance targets therefore the targets found in performance contracts will not be entirely new to them. The number of respondents who had been involved in setting targets for their schools and those who had not are shown in Figure 4.11.
As Figure 4.11 shows, 81.8% of respondents had been involved in setting targets whereas 18.2% had never been involved in setting targets. This finding shows that most of the teachers are already familiar with setting targets therefore they will not have problems with the targets in performance contracts.

e) Principals Approaches to Performance Contracts in Their Schools?

Head teachers were asked how often they discussed issues related to performance contracting with their teachers and the teachers’ responses to such discussions. All the principals reported that their teachers were skeptical about performance contracting. Teachers did not want to sign performance contracts with the government because
they did not trust the intention of the government. The head teachers however pointed out that teachers had no complaints about targets set within their own schools. All the principals reported that in their schools, targets are set either at the departmental level or at the class level between the teachers and students. They noted that local targets such as these are better than performance targets imposed by the government. In sum, the head teachers’ response shows two things: one is that teachers are opposed to performance contracts being imposed on them by the government and secondly, teachers have no opposition to setting targets as long as the targets are localized and they take part in setting them.

The influence of working conditions in the performance of the employees in an organization is a pivotal one. This makes it fundamental for all researches based on performance contracting to include working conditions among the key factors. According to Pinaki (2000) employees working conditions was vital by exemplifying the visions of a character so rooted in his working environment that he could live with the habits carried over from his working place. Pfeiffer (2003) on the other hand observes that working conditions was one of the most important factors in ensuring a successful implementation of performance contracts. He further affirms this by stating that if the working conditions were not right then the whole arrangement would crumble. Working conditions influence organizations’ performance and employees’ willingness to change how things are done in the workplace. This study sought to establish how teachers’ working conditions influenced their perceptions of performance contracting. Teachers were asked for their opinions on three issues
they did not trust the intention of the government. The head teachers however pointed out that teachers had no complaints about targets set within their own schools. All the principals reported that in their schools, targets are set either at the departmental level or at the class level between the teachers and students. They noted that local targets such as these are better than performance targets imposed by the government. In sum, the head teachers' response shows two things: one is that teachers are opposed to performance contracts being imposed on them by the government and secondly, teachers have no opposition to setting targets as long as the targets are localized and they take part in setting them.

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touching on working conditions. 77.77% of respondents agreed that performance contracts should take account of working conditions in schools, another 77.77% felt that performance contracts should take account of social setups in schools and 67.67% of teachers were of the opinion that performance contracts should clearly state the public’s expectations of the teachers and give teachers adequate resources to meet these expectations. The study also asked whether teachers had any previous experience working with targets 83.3% of the teachers had worked in environments where there were predetermined targets and 81% of the respondents had taken part in setting those targets. The head teachers who were interviewed reported that their teachers are skeptical about performance contracting but they were willing to work with targets set by their own schools.

The study revealed a number of findings in relation to the working conditions. The first is that teachers are averse to signing performance contracts handed down by the ministry of education because such contracts will not heed to the differences between schools. Instead, they would like performance contracts if implemented to take account of the local setup in the schools. The second finding was that teachers embraced setting and working towards targets. The head teachers reported that in their schools, teachers work with targets which they take part in setting. As Pinaki (2000) notes, employees adopt the habits and attitudes present in their workplaces and these habits and attitudes hold sway over their performance. Therefore, if performance contracts should succeed, teachers should take part in setting them and take ownership of them. They should be structured in line with the schools’ existing cultures.
The third finding was that teachers would like the public’s expectations of them to be managed so that they are not placed under undue pressure to meet unachievable targets. In addition, targets should be set with the available resources in mind. Kaplan and Norton caution (2001) caution against setting goals that are not achievable in the current situation. Pfeiffer (2003) states that working conditions are critical to the success of performance contracts therefore as the teachers in this study opined, performance contracts will have to be set in accordance to each school’s unique environment.

4.3.5 Objective 5: External Environment and Performance Contracts

The workplace should be viewed as part of a broader environment. Events taking place outside the workplace have a bearing on what happens inside the workplace. In the case of public schools, students’ academic performance and teachers’ dedication to their work is affected by events happening outside the school such as government policies, politics, and economic changes among others. The external environment will also affect teachers’ perception of performance contracting.

The researcher sought to find out how teachers’ perception of performance contracting was influenced by the external environment. Respondents were asked whether they would support the proposal by the ministry of education to have teachers sign performance contract and whether they would support uniform performance contracting for all teachers countrywide. The respondents were also asked for their opinions on two issues pertaining to performance contracting and all their responses are presented in the following subsections.
a) Teachers Support to the Current Proposal by the Ministry of Education on Signing Performance Contracts.

Respondents were asked if they supported the government’s proposal to have teachers sign performance contracts. The number of respondents who supported the idea and the number of respondents who did not support it are presented in Figure 4.12.

Figure 4.12: Respondents Who Supported Signing Performance Contracts versus Those Who Did Not

![Pie chart showing 67.70% support and 32.30% do not support.](N=99)

Source: Teachers Questionnaire

From Figure 4.12, 67.70% of the respondents did not support the government’s proposal to have teachers sign performance contracts and 32.30% of respondents supported the proposal. To further understand these responses, the respondents were asked to state reasons for supporting or not supporting the government’s proposal.
Content analysis was done on the responses and the respondents’ reasons for supporting or not supporting the proposal were as presented in Table 4.20.

Table 4.20: Reasons for respondents not supporting government’s proposal to have teachers sign performance contracts

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools do not have equal resources and facilities</td>
<td>51</td>
</tr>
<tr>
<td>Students do not have equal academic ability</td>
<td>40</td>
</tr>
<tr>
<td>Concerns of job security</td>
<td>29</td>
</tr>
<tr>
<td>Inadequate information about performance contracting</td>
<td>22</td>
</tr>
<tr>
<td>There is no relationship between students achievement and teachers’</td>
<td>19</td>
</tr>
<tr>
<td>performance contracts</td>
<td></td>
</tr>
<tr>
<td>Performance contracts could be abused</td>
<td>17</td>
</tr>
<tr>
<td>Many factors affect students performance in addition to the teacher</td>
<td>16</td>
</tr>
<tr>
<td>Teachers are poorly paid and work in poor conditions</td>
<td>13</td>
</tr>
<tr>
<td>Teaching will become technical and teachers will not use their skills and training</td>
<td>12</td>
</tr>
<tr>
<td>Measuring teachers’ achievement will be difficult</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

An examination of the Table 4.20 reveals that the top three reasons cited by respondents opposed to signing performance contracts are: unequal endowment in terms of resources and facilities among Kenya’s public schools cited by 51 of the
respondents, that students do not have equal academic ability cited by 40 respondents and the third reason, which is concern that performance contracts would threaten job security is cited by 29 respondents.

**Table 4.21: Reasons for respondents supporting the government’s proposal to have teachers sign performance contracts**

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance contracts will make teachers take their work more seriously</td>
<td>15</td>
</tr>
<tr>
<td>Academic performance will improve</td>
<td>14</td>
</tr>
<tr>
<td>Education standards will rise</td>
<td>7</td>
</tr>
<tr>
<td>Teachers will be able to set and meet goals</td>
<td>6</td>
</tr>
<tr>
<td>Non performing teachers will be found out and removed</td>
<td>4</td>
</tr>
<tr>
<td>Teachers will be able to evaluate themselves</td>
<td>4</td>
</tr>
<tr>
<td>There will be more efficient use of resources</td>
<td>3</td>
</tr>
<tr>
<td>Corruption and unfairness will be minimized</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

An examination of Table 4.21 shows that the three most important reasons given by teachers in favor of the proposal to have teachers sign performance contracts are: that performance contracts will make teachers more committed to their work cited by 15
respondents, that academic performance will improve cited by 14 respondents and that education standards will rise with introduction of performance contracts cited by 7 respondents.

b) Do Teachers Support Uniform Performance Contracting For All Teachers Countrywide?

Respondents were asked whether they supported uniform performance contracting for all teachers countrywide. The number of respondents who supported the idea and the number of respondents who did not support the idea are shown in Figure 4.13

Figure 4.13: Respondents Who Supported Uniform Performance Contracting Versus Respondents Who Did Not

![Pie chart showing support and non-support for uniform performance contracting](chart)

(N=99) Source: Teachers Questionnaire

From Figure 4.13, 91.90% of the respondents did not support the idea of uniform contracting for all teachers countrywide and 8.10% of the respondents supported the
idea. It is clear from this finding the most of the teachers are not in favor of all teachers in the country signing a uniform contract and a very small number (8.10%) are in favor. Respondents were asked to give reasons why they supported the idea or why they did not support the idea. Content analysis was done on their responses and the results are presented in Table 4.22

**Table 4.22: Reasons Why Respondents Did Not Support Uniform Contracting for all Teachers Countrywide**

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools are not uniform in terms of availability of learning resources</td>
<td>58</td>
</tr>
<tr>
<td>Students are not at the same level academically</td>
<td>45</td>
</tr>
<tr>
<td>Some schools admit students with high ability while others admits</td>
<td>19</td>
</tr>
<tr>
<td>students with low ability</td>
<td></td>
</tr>
<tr>
<td>Teachers have different levels of experience and skills</td>
<td>10</td>
</tr>
<tr>
<td>Performance contracts will limit teachers ambitions</td>
<td>7</td>
</tr>
<tr>
<td>The government is out of touch with teachers working environment</td>
<td>3</td>
</tr>
<tr>
<td>Workload is not uniform for all teachers and some subjects are easier than others</td>
<td>3</td>
</tr>
<tr>
<td>Performance contracts should be localized</td>
<td>3</td>
</tr>
<tr>
<td>Performance contracts are only meant to please the employer</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire
From Table 4.22, the three most important reasons given by respondents opposed to uniform contracting for all teachers countrywide are: that schools are not uniform in terms of resources and facilities cited by 58 respondents, that students do not have the same level of ability cited by 45 respondents and that some school admit students with high ability and others admit students with low ability cited by 19 respondents.

Table 4.23: Reasons Why Respondents Support Uniform Contracting for all Teachers Countrywide

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance contracts would increase performance</td>
<td>7</td>
</tr>
<tr>
<td>Performance contracts would ensure equality</td>
<td>3</td>
</tr>
<tr>
<td>With proper training, performance contracting would work</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire

Respondents in favor of uniform performance contracting gave three reasons as shown in Table 4.23. Respondents who felt that performance contracts would increase performance were 7, 3 respondents felt that performance contracting would ensure equality and one respondent felt that with proper training, performance contracting would work.
In addition to the teachers’ views, the researcher also wanted to know what the head teachers thought of the government’s proposal to have teachers sign performance contracts.

Eight of the head teachers supported the idea while four did not. The head teachers who supported the idea gave the following reasons for supporting it: it will improve students’ performance, inculcate a performance oriented culture in the education sector and provide fair means of promoting and rewarding teachers. Two of these head teachers also noted that performance contracting will ensure proper utilization of resources in the education sector. The reasons given by the head teachers in favor of performance contracts match those given by teachers who supported the idea.

Four of the head teachers did not support performance contracts because they believed contracts would kill initiative among the teachers, schools did not have similar resources and students differ broadly from school to school and even within the same school. The teachers who did not support the idea also gave these reasons.

All the head teachers emphatically agreed that performance contracts should be tailored with the characteristics of each school in mind. They noted that uniform countrywide performance contracts for teachers would fail because of the differences between schools.
According to the head teachers, the position of the Ministry of Education is that performance contracts should be introduced in the education sector just as it has been introduced in other public service sectors. However, none of the head teachers or the teachers in their schools had signed performance contracts.

d) Performance Contracts and Political Environment in Kenya

The respondents were asked for their opinion on whether performance contracts would be largely affected by the political environment in Kenya. Their responses are summarized in table

Table 4.24: Teachers' Opinion on Whether Performance Contracting Would be Affected by Politics

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>30</td>
<td>30.30</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>22</td>
<td>22.22</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>19</td>
<td>19.19</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>14</td>
<td>14.14</td>
</tr>
<tr>
<td>Agree totally</td>
<td>14</td>
<td>14.14</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire
These findings in Table 4.24 shows that teachers are cognizant of the effect political changes can have on their workplace and these changes can also have a bearing on performance contracts.

e) Performance contracts and economic activities

Respondents were asked whether they thought performance contracts will not depend largely on the level of economic activities and their responses were as shown in Table 4.25.

Table 4.25: Teachers’ Opinion on Whether Performance Contracting would be Affected by Economic Activities

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree totally</td>
<td>18</td>
<td>18.18</td>
</tr>
<tr>
<td>Disagree to large extent</td>
<td>26</td>
<td>26.26</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>36</td>
<td>36.36</td>
</tr>
<tr>
<td>Agree to a large extent</td>
<td>11</td>
<td>11.11</td>
</tr>
<tr>
<td>Agree totally</td>
<td>8</td>
<td>8.08</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Teachers Questionnaire
From Table 4.25, 18.18% of respondents disagreed totally, 26.26% disagreed to a large extent, 36.36 neither agreed nor disagreed, 11.11% agreed to a large extent and 0.08% agreed totally.

With the exception of the 36.36% of respondents who neither agreed nor disagreed, 44.44% of respondents felt that performance contracts would depend on the level of economic activities and 19.19% of respondents felt that performance contracts would not depend on the level of economic activities.

f) Head teachers’ Views on Whether Issues and Activities Outside the School Affect How Teachers View Performance Contracts

The researcher wanted to know the head teachers’ views of whether events taking place away from schools could influence teachers’ views on performance contracting. All the principals were of the view that indeed teachers’ perceptions of performance contracts were influenced by factors external to the school setting.

The head teachers gave politics, shifting policies in the education sector, the governments’ overall commitment to reforming the education sector and the experiences of other civil servants who have signed performance contracts as those external factors that influence how teachers look at performance contracting.

According to one of the principals interviewed, there was no way teachers would accept performance contracts until the government increased their salaries and benefits.
to equal those of civil servants. All the principals noted that the government was not committed to long term reforms in the education sector in the eyes of the teachers hence teachers are generally skeptical of new policies such as performance contracting. In addition, education policies tend to shift each time a new government comes into being and so teachers do not know what the future holds for the sector. The researcher sought to find out whether the teachers supported the Ministry of Education’s proposal to have teachers sign performance contracts. Only 32.3% of the respondents supported the proposal while 67.7% did not. Only 8.1% of the teachers supported uniform performance contracts for teachers countrywide and 91.9% of the teachers opposed the suggestion. The three most important reasons respondents gave for opposing the proposal for teachers to sign performance contracts were: that schools did not have equal resources, students did not have the same academic ability and fear that signing contracts would threaten job security. Respondents who opposed uniform countrywide contracts cited lack of uniformity between schools, students not having similar academic ability and the fact that schools admit students with different primary school grades as the three most important reasons for opposing the suggestion.

Some of the respondents had supported the government’s proposal with 8.1% in favor of uniform performance contracts and 32.3% agreeing with the proposal to have teachers sign performance contracts. The reasons these respondents supported the proposal was that they expected performance contracts to improve academic performance, make teachers more committed in their work, raise education standards, ensure equality among other reasons. Eight of the head teachers supported the
government proposals noting that performance contracts would improve students’ performance, bring about a performance culture and ensure proper utilization of resources. Four head teachers opposed the proposal on grounds that performance contracts would kill initiative among teachers in addition to schools not having the same level of infrastructure and students differing in academic ability. The head teachers preferred performance contracts tailor made for each school rather than uniform nationwide contracts. Of the respondents, 52.52% agreed that performance contracts would be affected by the political environment in Kenya and 44.44% believed that performance contracts would be affected by the level of economic activity in Kenya. The headteachers agreed with the teachers that external factors would affect perceptions of performance contracts citing politics, shifting policies in the education sector, the governments’ overall commitment to reforming the education sector and the experiences of other civil servants who have signed performance contracts as those external factors that influence how teachers look at performance contracting.

The study revealed that most teachers were opposed to signing performance contracts altogether and a larger number were opposed to uniform countrywide contracts. As Emery and Giauque (2001) note, organizations are affected by the administrative and legal environments within which they operate. The government passes laws, regulations and policies which directly affect the functioning of the affected institutions. The education sector in Kenya is directly affected by the policies made by
successive governments. Dlamini (2001) and Okunishi (2001) both state that the prevailing economic and political environments affect organizations in a country.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter involved data analysis, presentation and discussion of the findings. This chapter summarizes the main findings and conclusions based on the research conducted in this project. It finally gives recommendations for action and future studies on performance contracting.

5.2 Summary

The overall purpose of the study was to determine secondary school teachers' perception towards implementation of performance contracts. The study was guided by the following objectives; to establish the level of teachers awareness of performance contracts, to investigate the extent to which teachers' attitudes influence their perception towards implementation of performance contracts, to investigate the extent to which the training and skills of the teachers is a factor to their perception towards implementation of performance contracts, to find out whether working conditions in secondary schools is a factor influencing teachers' perceptions towards implementation of performance contracts, to find out whether external environment is a factor influencing teachers' perceptions towards implementation of performance contracts.
The first objective sought to established teachers' understanding of performance contracting because as Omboi (2011) observes prior knowledge of performance contract forms positive perception among employees. Results from analyzed responses indicate that majority of the respondents knew or had some basic understanding of what performance contracting entails. When asked whether they support to have teachers sign performance contracts, 83.81% did not support while only 12.1% supported. It was also found that teachers had misperceptions concerning intent of performance contracting.

Second, the study sought to find out how teachers' attitudes influence performance contracting. From the findings, it was revealed that teachers were not enthusiastic about performance contracting and had mixed feelings towards the same. Majority of them said that performance contracts cannot help in improving performance in school but at the same time it can help reduce tribal and gender biases and corruption in promotions. They were divided on whether performance contracts can help schools to meet their targets.

The third objective was to determine how training influences perception towards performance contracting. The study found that teachers' perception on performance contracting is probably influenced by training they have on performance contracting. The study revealed that majority (98%) of teachers did not have any training and therefore, do not know what performance contract entails, how it is implemented and its expectations. Nevertheless teachers were willing to be trained on performance
contracting but then they should be involved in deciding on training needs. Teachers' involvement would be critical for success of performance contracts because performance contracts are mutually agreed upon between the parties involved.

The fourth objective sought to establish how teachers' perception towards performance contracting is influenced by working conditions in schools. From the study, teachers are averse to signing performance contracts handed down by the Ministry of Education because such contracts will not heed the differences between schools. Instead, they would like performance contracts if implemented to take account of the local setup in the schools. Therefore, if performance contracts should succeed, teachers should take part in setting them and take ownership of them and should be structured in line with the existing school cultures. Teachers would also like the public’s expectations on them to be managed so that they are not placed under undue pressure to meet unachievable targets and in addition, targets should be set with the available resources in mind.

Finally, the fifth objective was to determine how external factors influence teachers' perception towards performance contracting. The study revealed that external factors such as government policies on education, political activities and experiences from other civil servants do influence teachers’ perceptions on performance contracts. It was evident from the study that teachers are unwilling to support uniform performance contracting. It is also true that success or failure of performance contract in other sectors determines perception teachers have on performance contracting. From the
interviews conducted, principals cited change in political environment as a major external factor influencing perception of teachers; some may support a policy depending on political inclination. It is possible that teachers have negative perception because the government is not committed to long-term reforms in the education sector with teachers on board hence teachers are generally skeptical of new policies such as performance contracting. In addition, education policies tend to shift each time a new government comes into being and so teachers do not know what the future holds for the sector.

5.3 Conclusions

The findings in this study indicated a positive perception by secondary school teachers regarding performance contracting. The study concludes that teachers have unsatisfactory understanding of what performance contracting entails. The study further concludes that, though majority of the teachers did not support performance contracting, implementation of such a project can be successful if various fears that teachers have are addressed. Some of these fears include training teachers on performance contracting, involving them in developing performance contracts and considering environments under which teachers operate. In addition, teachers acknowledged some unsatisfactory conditions that hinder acceptance of performance contracts by teachers. Some of these conditions include; training prior to signing performance contracts, involving teachers in the process of performance contracting especially the stage of setting targets, consideration of working conditions in
performance contracting and good educational policies that promote performance contracting.

In view of the findings, this study concludes that secondary school teachers have not rejected performance contracting exercise in total. Since performance contracts are freely negotiated performance agreements, the Ministry of Education should take note of those areas which teachers are comfortable with.

5.4 Policy Recommendations

The Ministry of Education has proposed that teachers begin signing performance contracts as a means of improving performance in public schools but teachers have opposed the suggestion and it is yet to be implemented. This study has revealed a number of issues that could help shape the policy on performance contracting. The following are the recommendations:

i. The Ministry needs to educate the teachers in Kenya about performance contracts since the study revealed that only 2% of teachers had received any training on the issue. Some of the worries and negative attitudes towards performance contracts could be attributed to lack of information.

ii. The Ministry needs to educate teachers and other stakeholders in the education sector about performance contracting with a view to eliminating the negative perceptions that most people have towards it.
iii. The study revealed reasons why most of the teachers opposed performance contracts. The Ministry of Education should address these issues before implementing the performance contracts. For example, the government must address issues of inequality between schools so that teachers in less endowed schools do not feel disadvantaged.

iv. Given that schools operate under different social setups and that resource endowment differs from one school to the other, performance contract standards should also differ from one school to the other.

v. The study also recommends that school managers need to institutionalize policies so that their guiding philosophies are shared among the teachers.

vi. Teachers need to be motivated to learn new knowledge on the role of performance contracting in steering organizations prosperity.

5.5 Recommendations for Further Research

As a result of the study, the researcher identified certain areas that might require additional research. The following are the areas of study that the researcher recommends:

i. In-depth studies to determine the influence of each factor on teachers' perceptions of performance contracting.
ii. A similar study should be replicated in other parts of the country to enable
generalizations to a broader context.

iii. The findings regarding factors influencing performance contracting did not focus
clearly on any one factor, it would be important to conduct a study that examines
one of the factors in more detail.

iv. Additional studies could be done to address several issues that emerged in this
study. Because the sample of 123 teachers in this study was relatively small and
those who responded did not have adequate information to fill in the
questionnaire and only adequately filled questionnaires were considered for
analysis. There is need for the research to be replicated and consider a larger
sample to be more representative of all teachers in Kenya.

v. Finally, the study was carried out in Gatanga District only, therefore, there is
need to replicate this study in a larger area like county to allow for wider
generalizations.
REFERENCES


Pfeiffer, T (2003). A Descriptive Analysis on the implementation of balance scorecards in German –speaking countries, Management Accounting Research, 114(1), 361-38.


Appendix 1: Questionnaire for teachers

Dear Sir/Madam

I am a student pursuing a MED (Educational Planning) at Kenyatta University. I want to conduct a research on teachers’ perception towards implementation of performance contracts. Welcome and thank you for sparing time to fill in this questionnaire. This questionnaire is meant for research purpose. You are kindly requested to provide answers to these questions as honestly as possible. Responses to these questions will be treated confidentially and will only be used for purposes of research only.

Thank you.

SECTION A: DEMOGRAPHIC DATA

Tick (✓) or fill in the spaces as appropriate.

1. What is your gender?
   (a) Male ( )
   (b) Female ( )

2. What is your age bracket?
   (a) Less than 25 years ( )
   (b) 25 years to 35 years ( )
   (c) 36 years to 45 years ( )
   (d) 46 years and above ( )

3. For how long have you worked as a teacher?
   (a) Less than 5 years ( )
   (b) 5 years to 10 years ( )
   (c) 11 years to 15 years ( )
   (d) 16 years and above ( )

4. What is your current education level?
   (a) Diploma ( )
   (b) Degree ( )
   (c) Masters and above ( )

5. What is your current Job group?
   J ( )  K ( )  L ( )  M ( )  N ( )  P ( )  ATS ( )
6. How many years have you been in the current job group?
  0 - 5 years ( )
  6 - 10 years ( )
  11 - 15 years ( )
  16 - 20 years ( )
  21 - 25 years ( )

7. Are you a head of department (HOD)?
   Yes ( )       NO ( )

8. Is this the only school you have taught ever since you graduated from University/college?
   Yes ( )        No ( )

9. If No, how many schools have you taught since first appointment?

SECTION B: UNDERSTANDING OF PERFORMANCE CONTRACTING

10. What is performance contracting?

11. Have you ever thought of the goals of performance contracting?
    Yes ( )       No ( )

12. If yes, state any two goals
  i. ____________________________
  ii. ____________________________

13. In the mentioned years of teaching experience in question 3 above have you ever worked in an environment where targets to be met were predetermined?
    Yes ( )       No ( )
14. Have you ever been involved in setting targets for your school?
   Yes ( )  No ( )

15. If No, state who sets the targets:

16. Do you set your own targets?
   Yes ( )  No ( )

17. Have you ever had any training on performance contracting?
   Yes ( )  No ( )

18. Would you like to be trained on performance contract?
   Yes ( )  No ( )

19. If yes to (18) above give 3 reasons.
   i. ____________________________________________
   ii. __________________________________________
   iii. __________________________________________

20. If No to (18) above give 3 reasons.
   i. ____________________________________________
   ii. __________________________________________
   iii. __________________________________________

21. Do you support the current proposal by ministry of education to have teachers sign performance contracts?
   Yes ( )  No ( )

22. If No, give 3 reasons.
   i. ____________________________________________
   ii. __________________________________________
   iii. __________________________________________

23. If yes give 3 reasons.
   i. ____________________________________________
   ii. __________________________________________
   iii. __________________________________________

24. Would you support a uniform performance contracting for all teachers countrywide?
   Yes ( )  No ( )

25. If yes, give 2 reasons.
   i. ____________________________________________
   ii. __________________________________________

26. If No, give 2 reasons.
   i. ____________________________________________
   ii. __________________________________________
SECTION C: FACTORS INFLUENCING PERFORMANCE CONTRACTING.

Kindly indicate the extent at which you agree with the following statements. Tick (✓) appropriately.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree totally</th>
<th>Disagree to large extent</th>
<th>Neither agree nor disagree</th>
<th>Agree to a large extent</th>
<th>Agree totally</th>
</tr>
</thead>
<tbody>
<tr>
<td>27. Teachers are very enthusiastic about signing performance contracts.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Teachers believe that performance contracts will increase performance in schools.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. Performance contracts will reduce the chances of promotions based on nepotism, tribalism and gender biasness.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30. Performance contracts will enable schools meet their targets hence they are extremely useful.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31. Teachers should be offered training on performance contracting before its introduction.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32. Teachers should be involved and consulted in coming up with training needs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33. Training should combine internal, on job and external training.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>34. Targets in the performance contract will take into account the current working conditions in the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td>---</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>35.</strong> The performance contracts will state clearly the expectations of the public on the teachers and the tools that they will be provided to meet those expectations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>36.</strong> Performance contract will depend on the social set up in schools.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>37.</strong> Performance contracts will not largely be affected by the political environment in Kenya.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>38.</strong> Performance contracts on teachers will not depend largely on the level of economic activities.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 2: Principals' interview schedule

Dear Sir/Madam

I am a student pursuing a MED (Educational Planning) at Kenyatta University. I want to conduct a research on teachers' perception towards implementation of performance contracts. Welcome and thank you for sparing time to respond to these questions. This interview is meant for research purpose. You are kindly requested to provide answers to these questions as honestly as possible. Responses to these questions will be treated confidentially and will only be used for purposes of research only.

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>MAIN QUESTION</th>
<th>PROBING QUESTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>In your own words what do you understand by performance contracting?</td>
<td>- How did you get to know performance contracting?</td>
</tr>
<tr>
<td>2</td>
<td>What is the position of Ministry of Education on performance contracting?</td>
<td>- Have this position reflected in your school?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- How many teachers have signed performance contracts in your school?</td>
</tr>
<tr>
<td>3</td>
<td>How often do you discuss issues on performance contracting with your teachers?</td>
<td>- How often do teachers discuss these issues with you?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- How do teachers like these issues?</td>
</tr>
<tr>
<td>4</td>
<td>What are you views on the current proposal by the Ministry of Education to have teachers sign performance contracts?</td>
<td>- Do you think they should consider schools characteristics when designing performance contracts?</td>
</tr>
<tr>
<td>5</td>
<td>Do you think teachers should be trained on performance contracts before the sign them?</td>
<td>- What are the benefits of training on performance contracting?</td>
</tr>
<tr>
<td>6</td>
<td>Can issues and activities outside the school affect how teachers perceive performance contracts?</td>
<td>- What are some of these issues and activities?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- How do they affect performance contracting?</td>
</tr>
</tbody>
</table>
Appendix 3: Research Permit

NCST/RCD/14/013/1051

Solomon Muhoro Boboti
Kenyatta University
P.O.Box 43844-00100
Nairobi.

RE: RESEARCH AUTHORIZATION

Following your application dated 10th June, 2013 for authority to carry out research on "Teachers' perception towards implementation of performance contracts: A case of public secondary schools in Gatanga District – Muranga County, Kenya," I am pleased to inform you that you have been authorized to undertake research in Gatanga District for a period ending 31st August, 2013.

You are advised to report to the District Commissioner and the District Education Officer, Gatanga District before embarking on the research project.

On completion of the research, you are expected to submit two hard copies and one soft copy in pdf of the research report/thesis to our office.

DR. M. K. RUGUTT, PhD, HSC.
DEPUTY COUNCIL SECRETARY

Copy to:

The District Commissioner
The District Education Officer
Gatanga District.

"The National Council for Science and Technology is Committed to the Promotion of Science and Technology for National Development."
THIS IS TO CERTIFY THAT:
Prof./Dr./Mr./Mrs./Miss/Institution
Solomon Muhoiro Boboti
of (Address) Kenyatta University
P.O.Box 43844-00100, Nairobi,
has been permitted to conduct research in

Gatanga
Location
Central
District
Province

on the topic: Teachers’ perception towards implementation of performance contracts:
A case of public-secondary schools in Gatanga District – Muranga County, Kenya.

for a period ending, 31st August, 2013.

CONDCheckedChangeListener

1. You must report to the District Commissioner and
the District Education Officer of the area before
embarking on your research. Failure to do that
may lead to the cancellation of your permit.
2. Government Officers will not be interviewed
without prior appointment.
3. No questionnaire will be used unless it has been
approved.
4. Excavation, filming and collection of biological
specimens are subject to further permission from
the relevant Government Ministries.
5. You are required to submit at least two (2)/four (4)
bound copies of your final report for Kenyans
and non-Kenyans respectively.
6. The Government of Kenya reserves the right to
modify the conditions of this permit including
its cancellation without notice.
Appendix 4: Map of Gatanga District