

**FACTORS INFLUENCING THE IMPLEMENTATION OF PERFORMANCE
CONTRACTING AMONG PUBLIC HEALTH OFFICERS IN NYERI COUNTY KENYA**

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**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF
THE DEGREE OF MASTER OF SCIENCE IN HEALTH SYSTEMS MANAGEMENT,
KENYA METHODIST UNIVERSITY**

OCTOBER, 2025

DECLARATION

“This thesis is my original work and has not been presented for a degree or any other award in any other University.

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“I/We confirm that the work reported in this thesis was carried out by the candidate under my/our supervision.”

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DEDICATION

I dedicate this research thesis to my lovely wife-Sussy and my beautiful children, Brenda and Master Christ. In a heartfelt way, I wish to dedicate this work to my late Dad, who always showed the best fashion of me during the study period.

ACKNOWLEDGEMENT

I sincerely thank the Almighty God for giving me the knowledge, wisdom, and understanding to undertake this study. To my supervisors, Dr Kezia Njoroge and Mr. Musa Oluoch, I honestly can't thank you enough for guiding me through the entire process. You provided leadership, guidance, mentorship, and always positively critiqued my work. The Nyeri County Director of Health, Dr Nelson Muriu, Deputy Director, Dr Oscar, the County PHO, Mr. Nganga, and the entire Nyeri County Public Health Staff, feel most appreciated for the critical role you played in enabling me to carry out this study. Without you, this study would have been null and void.

God bless you all

ABSTRACT

Performance contracting (PC) has been institutionalized within Kenya's public health sector as a reform strategy to strengthen accountability, improve efficiency, and link rewards and sanctions to objectively verifiable results. However, despite its adoption, declining health indicators continue to be observed nationally and within Nyeri County, signaling persistent gaps between policy formulation and practical implementation. This study, therefore, examined the factors influencing the implementation of performance contracting among Public Health Officers (PHOs) and Public Health Technicians (PHTs) in Nyeri County. Specifically, it explored how government policies, stakeholder involvement, human resource (HR) strategies, and institutional factors shape PC implementation. A descriptive cross-sectional research design was employed, targeting all 112 PHOs and PHTs, from which 89 respondents were selected through stratified random sampling. Data were collected using structured self-administered questionnaires validated through expert review and pre-tested. Analysis was conducted using the Statistical Package for the Social Sciences (SPSS) version 24.0, applying descriptive statistics, Spearman's correlation, and multiple regression analysis at a 0.05 level of significance. Results showed that all four independent variables significantly influenced PC implementation ($R^2 = 0.681$, $F = 45.217$, $p < 0.001$). HR strategies ($\beta = 0.312$, $p = 0.001$) and institutional factors ($\beta = 0.287$, $p = 0.003$) were the strongest predictors, underscoring the role of motivation, training, leadership, and supportive work systems. Correlation coefficients ranged from $r = 0.492$ – 0.615 ($p < 0.01$), indicating moderate to strong positive relationships among the variables. The study concluded that the success of performance contracting depends on integrating clear policy direction, participatory stakeholder engagement, effective HR strategies, and institutional leadership. It recommends strengthening HR capacity-building programs, aligning county policies with devolved operational contexts, and institutionalizing feedback mechanisms. The study contributes to public health management by providing empirical evidence to guide policy and managerial decisions on optimizing performance contracting in devolved health systems.

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ABBREVIATIONS AND ACRONYMS

AWP: Annual Work Plans

CPHO: County Public Health Officer

CEDAW: Convention on the Elimination of All Forms of Discrimination against Women

CRC: Convention on the Rights of the Child.

CHS&IP: County Health Strategic and Investment Plan

EAC: East Africa Community

GOK: Government of Kenya

ICESCR: International Covenant on Economic, Social and Cultural Rights

ILO: International Labour Organization

KEH&HP: Environmental Health and Hygiene protocol 2015-2030

KESHP: Kenya environmental sanitation and hygiene policy 2016-2030

KESHFS: Kenya Environmental Sanitation and Hygiene Strategic Framework 2016-2020

KHPF: Kenyan Health Policy Framework

KHP: Kenya Health Policy

MDGs: Millennium Development Goals

MOH: Ministry of Health

HSS&IP: Health Sector Strategic and Investment Plan

MOPHSSP: Ministry of Public Health and Sanitation Strategic Plan

NEH&SS: National Environmental Health and Sanitation Strategy, 2015-2020

NCHD: Nyeri County Health Department

NCHS&IP: Nyeri County Health Strategic and Investment Plan

NHSSP: National Health Sector Strategic Plan

OBV: Objectively verifiable indicators

OS&H: Occupation safety and Health

P.A. Performance appraisal

P.C. Performance Contract

PHO: Public Health Officer

PHT: Public Health Technician

RPE: Relative Performance Evaluation

SCPHO: Sub County Public Health Officer

SDGs: Sustainable Development Goals

SPSS: Statistical Package for Social Sciences

WHO: World Health Organization

1 CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Performance Contracting (PC) refers to a results-based management approach in which an agreement is established between a superior and a subordinate, outlining performance targets, indicators, and accountability mechanisms for a specific period (Government of Kenya [GoK], 2023). It functions as a management tool designed to enhance efficiency, effectiveness, and accountability in public service delivery through measurable outcomes and transparent evaluation frameworks. As a monitoring and evaluation mechanism, PC embodies the principles of Principal-Agent Theory, which explains the contractual relationship between those who delegate authority (principals) and those who execute duties (agents). The theory posits that clearly defined roles, measurable objectives, and monitoring mechanisms reduce information asymmetry and improve accountability (Lane, 2013). Similarly, Goal-Setting Theory asserts that specific, challenging, and attainable goals stimulate higher motivation and performance among employees (Locke & Latham, 2019). These theoretical perspectives provide the foundation for understanding PC as both a motivational and accountability framework for enhancing organizational performance.

Globally, performance contracting has been adopted as a public sector reform strategy to improve governance and service delivery in response to growing demands for accountability and efficiency. The concept emerged in the late 1960s in France and South Korea and was later adopted in countries such as India, Pakistan, and Bangladesh to address inefficiencies in state-owned enterprises (Organization for Economic Co-operation and Development [OECD], 2020). Over the years, globalization, technological advancement, and evolving citizen expectations have compelled governments to embrace performance-based management systems that link resources

to results (Schulmann et al., 2024). The World Bank and the Organization for Economic Co-operation and Development (OECD) have promoted performance contracting across developing nations as a means of ensuring value for money, transparency, and improved service quality in public administration (Hill & Hupe, 2021).

Empirical evidence from developed and emerging economies indicates that performance contracting enhances institutional efficiency, resource optimization, and accountability when supported by robust monitoring systems and political commitment (Guo et al., 2022). For instance, in countries such as China and Brazil, performance contracting frameworks have been integrated into broader public sector reforms, yielding improvements in financial management, employee motivation, and citizen satisfaction (Ocampo et al., 2019). However, the success of these reforms largely depends on contextual factors such as leadership style, institutional culture, and stakeholder involvement (Biron et al., 2024).

In Africa, performance contracting has been implemented as part of structural adjustment and public sector reform programs initiated in the late 1980s and early 1990s. Countries such as Ghana, Cameroon, and Tanzania adopted PC frameworks to improve efficiency and reduce bureaucratic inefficiencies (Lavanya & Khizerulla, 2024). While the reform yielded positive outcomes in some cases, persistent challenges such as inadequate institutional capacity, limited monitoring mechanisms, and weak accountability structures hindered full realization of expected benefits (Schulmann et al., 2024).

According to the United Nations (2021), performance contracting in the African context has shifted toward improving governance, aligning national priorities with global agendas such as the Sustainable Development Goals (SDGs), and fostering participatory management practices.

Nevertheless, the effectiveness of PC in Africa remains uneven, with many public institutions struggling to balance performance expectations with resource constraints and political interference (Hudson et al., 2023). Evidence from studies across Sub-Saharan Africa suggests that strong leadership, consistent monitoring, and alignment with institutional goals are critical success factors for sustainable performance contracting outcomes (Biron et al., 2024; Head, 2022).

Kenya's adoption of performance contracting stemmed from concerns over inefficiency, low productivity, and weak accountability in public institutions. The government's first attempt at PC implementation occurred in 1990 through Cabinet Memorandum No. CAB (90) 35, which initiated civil service restructuring and expenditure rationalization (Gok, 2001). A more structured approach began in 2003 under the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC), followed by the establishment of the Performance Contracting Steering Committee (PCSC) to coordinate implementation across ministries and parastatals. The pilot phase involving 16 state corporations recorded significant performance improvements, prompting nationwide rollout to over 470 government entities by 2012 (Kabeyi, 2019).

Performance contracting has since become a central component of Kenya's public sector reform agenda, focusing on efficiency, transparency, and accountability. The framework aligns with the Kenya Vision 2030, which aims to transform Kenya into a globally competitive and prosperous nation. Within the health sector, PC is embedded in the Kenya Health Policy (2014–2030) and the Kenya Health Sector Strategic Plan (KHSSP) 2018–2023, emphasizing performance-based management to accelerate progress toward Universal Health Coverage (UHC) (World Health Organization [WHO], 2021). Empirical evidence shows that effective implementation of PC in

health facilities enhances service quality, resource utilization, and staff accountability (Manyathi et al., 2021).

Under Kenya's devolved governance system, counties are responsible for health service delivery, with performance contracting serving as a key accountability mechanism. Nyeri County has institutionalized PC across departments to align with its County Health Strategic and Investment Plan (CHS&IP) 2023–2027, which emphasizes efficiency, transparency, and performance-driven budgeting (Nyeri County Government, 2023). All public health officers (PHOs) employed by the Nyeri County Public Service Board sign annual performance contracts that are evaluated mid-year and at the end of each financial cycle. These contracts are expected to enhance disease prevention, health promotion, and overall service quality.

Despite these measures, Nyeri County continues to face challenges in meeting health performance targets. The Nyeri County Performance Appraisal Report (2024) revealed gaps in preventive health outcomes, resource management, and staff motivation, attributing underperformance partly to inconsistent performance management systems and unclear reward structures. Furthermore, the county records a high burden of non-communicable diseases and frequent hospital re-attendances, which signal inefficiencies in preventive service delivery (Kenya National Bureau of Statistics [KNBS], 2023). These challenges underscore the need for an evidence-based understanding of factors influencing performance contracting among PHOs to enhance accountability and improve health outcomes.

In light of this, effective implementation of performance contracting in Nyeri County's health sector could lead to improved service delivery, efficient resource utilization, and a stronger culture of accountability. The current study, therefore, seeks to examine the factors influencing

the implementation of performance contracting among Public Health Officers in Nyeri County, Kenya, within the frameworks of Principal–Agent and Goal-Setting theories.

1.2 Statement of the problem

Most leaders fail not in the formulation of strategy but in its implementation. In the health sector, well-designed policies and strategic frameworks often do not translate into effective practice, resulting in poor health outcomes despite substantial investments (WHO, 2024). Preventive health remains a critical gap: according to the Kenya Health Sector Strategic and Investment Framework (KHSSP) 2018–2023, over 70% of hospital visits in Kenya are attributed to preventable conditions. The WHO (2025) estimates that every dollar invested in preventive health saves approximately five dollars in direct medical costs and up to eleven dollars in overall societal costs.

In Kenya, mortality surveillance between 2012 and 2022 revealed that nearly 85% of reported deaths were linked to preventable diseases (Ministry of Health [MoH], 2023). Nyeri County consistently records one of the highest hospital re-attendance rates in the country and bears a disproportionate burden of non-communicable diseases such as hypertension and diabetes (Kenya National Bureau of Statistics [KNBS], 2022; MoH, 2023). The Nyeri County Health Strategic and Investment Plan (CHS&IP) 2023–2027 highlights persistent underperformance in the Public Health Department, including unmet financial and operational targets. Notably, the report attributes the department’s weak performance to inconsistent and unclear performance management systems, particularly in relation to Public Health Officers (PHOs), who are key actors in disease prevention and health promotion (Nyeri County Government, 2023).

The performance gaps within the PHO cadre undermine Kenya's pursuit of Universal Health Coverage (UHC) a core national and global priority emphasizing preventive and promotive health services (WHO, 2024). While performance contracting (PC) was introduced to enhance accountability, efficiency, and service delivery in public institutions, its implementation within devolved health systems has faced challenges, including unclear target-setting, inadequate stakeholder engagement, weak institutional support, and inconsistent reward mechanisms (Abuya et al., 2023; KSG, 2023).

Given Nyeri County's repeated shortfalls in meeting health sector targets, coupled with high rates of preventable diseases and re-attendances, there is an urgent need to assess how performance contracting can be optimized to strengthen PHO performance. This study, therefore, sought to identify and analyze the factors influencing the implementation of performance contracting among Public Health Officers in Nyeri County, Kenya, focusing on government policy, stakeholder involvement, human resource strategies, and institutional factors. By addressing these dimensions, the study aims to contribute evidence-based insights toward improving preventive health outcomes through effective performance management.

1.3 Purpose of the Study

The purpose of this study was to investigate the factors influencing the implementation of performance contracting among Public Health Officers (PHOs) working under the County Government of Nyeri. The study specifically sought to examine how government policies, stakeholder involvement, human resource strategies, and institutional factors affect the effective execution of performance contracting within the devolved health system. This research aimed to bridge the knowledge gap identified in previous studies, which have largely focused on national-level public institutions while neglecting county-level dynamics and cadre-specific

implementation challenges. By focusing on PHOs and Public Health Technicians (PHTs), who play a critical role in disease prevention and health promotion, the study contributes context-specific evidence on how performance contracting operates at the operational level in a devolved setting.

The findings of this study are expected to contribute to the extension of knowledge in public sector management and health systems governance by providing empirical insights into the interplay between policy frameworks, motivation, institutional capacity, and stakeholder engagement. In practical terms, the study provides actionable recommendations to enhance accountability, improve target achievement, and strengthen the link between performance management systems and service delivery outcomes. Ultimately, the study aimed to inform county governments, health managers, and policymakers on effective strategies for optimizing performance contracting as a tool for achieving sustainable improvements in preventive health service delivery and aligning local performance outcomes with Kenya's broader Universal Health Coverage (UHC) and Sustainable Development Goal (SDG) targets.

1.4 Objectives of the Study

1.4.1 General Objectives

The general objective of the study was to investigate factors influencing the implementation of performance contracting among Public Health Officers in Nyeri County

1.4.2 Specific Objectives

1. To find out how government policies influence the implementation of performance contracts among Public Health Officers working in Nyeri County.
2. To find out the influence of stakeholders' involvement in the implementation of performance contracts among Public Health Officers working in Nyeri County.

3. To investigate the influence of employees' motivation in the implementation of performance contracting among Public Health Officers working in Nyeri County.
4. To establish how institutional factors influence the implementation of the performance contracting process among Public Health Officers working in Nyeri County.

1.5 Research Questions

1. How do government policies on performance contracting influence the implementation of performance contracting among Public Health Officers working in Nyeri County?
2. What is the influence of stakeholders' involvement in the overall performance contracting implementation process among Public Health Officers working in Nyeri County?
3. How do employee motivations influence the implementation of performance contracting among Public Health Officers in Nyeri County?
4. How do institutional factors influence the implementation of performance contracting among Public Health Officers working in Nyeri County?

1.6 Study Justification

WHO, 2000, outlines leadership and governance as one of the six key building blocks towards a healthy, Strong Health System. This health system building block ensures resources are well allocated to priority areas and accountabilities given, while at the same time, the rule of law is applied effectively to ensure optimal results by all.

The study also aims to address Sustainable Development Goal (SDG) Number 6, which aims to ensure access to safe water and sanitation, improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials, halving the proportion of untreated waste water and substantially increasing recycling and safe use

globally. These are key functions of a PHO. There is a need to find out how best to tap into the benefits of P.C to enhance the PHOs' outputs.

Several studies have asserted that, there is an urgent need to measure what outcomes the human capital drivers and compare them with what could be the optimal performance as an appraisal of how well and health system is performing. World Health Organization, 2000, points out that, “the performance of health systems largely is a factor of how well the workforce is knowledgeable, skilled and motivated to discharge their duties”. Thus, the study is in line with international aspirations towards creating better health systems. The study may be a pathway to enhancing performance in the Nyeri health department, reversing negative health trends and providing insights for incorporating private organization management strategies into the Nyeri County Public Service Management. Further, it will provoke further research in aspects not covered in the study.

1.7 Limitations of the Study

The study only focused on PHOs working in Nyeri County. This may affect the generalizability of the results to the entire country or across all the different staff cadres. It's recommended to do a nationwide study so as to have an empirical finding generalizable to the entire country. Secondly, the study may also be limited because some staff enrolled in the study had low-level education (certificate and diploma) and so may not have sufficiently understood the thoroughness of the statements. This was, however, mitigated by clearly explaining to any such respondents on the meaning of the statements. The study may have also been limited in that it only investigated the four predictor variables documented therein. There is a need to look into other factors that may have an effect on the implementation of performance contracts.

1.8 Delimitations of the Study

The researcher was only interested in Public Health Officers Working in Nyeri County. This means that the results are cadre-specific and may only be inferred to the cadre. The issue of competing activities on the part of the respondents was also another factor. The researcher had to book and schedule appointments in advance so as to meet the respondents.

1.9 Significance of the Study

The findings of this study will benefit a cross-section of human resource managers and stakeholders in reviewing the P.C policy and operational guidelines formulation, thus providing a framework for effective implementation of P.C, among PHOs working in Nyeri county.

It is hoped that the finding of this research will in a particular way assist Nyeri County Health Department in achieving its broad aim as articulated in her County Health Policy (CHP) to improve the health and wellbeing of Nyeri County Populace through strengthening ; Visionary Leadership and Stewardship; Motivated Health Workforce; Offer high quality and client-responsive service delivery; and a healthy and productive people. In addition, the findings of this research will also inform future research, by not only providing back ground information but also identifying knowledge gaps for future research.

1.10 Assumptions of the Study

It was the belief of the researcher that, all the respondents provided honest views of what is on the ground, which allowed the objective analysis and subsequent generalization of the results. Further the researcher believes that the data collection tool was able to pick all the necessary variables for the study to infer valid results

1.11 Operational Definition of Terms

Capacity building: In this research, capacity building is seen to be synonymous with “Continuing Professional Development” and is defined as all efforts geared to improving both soft and hard skills, abilities of employees to enhance work efficiency, as well as improving their motivations.

Effectiveness: The degree to which an organization achieves its set targets, objectives, and goals

Efficiency: How best an organization can deliver its mandates within the resource constraints.

Governance: Governance in this research is viewed as a process by which top management enforces the laws, rules, and operational guidelines to ensure that the PC is implemented as desired

Hard skills: Physical skills required to carry out a certain job or task.

Intrinsic motivation: The inner self-drive that propels a worker to better perform a task or activity because it’s personally rewarding. A more effective long-term method for achieving goals and competing tasks in a way that makes one feel internally satisfied.

Extrinsic motivation: Performing or undertaking a task more because one wants to get or not to get an external consequence, such as a reward or a sanction. This kind of motivation may not usually provide sustained behavior as it may eventually lead to burnout or lose of effectiveness over time.

Performance contract/ Performance appraisal, while, in the general conventional thinking, a performance contract is seen as the signed and agreed upon document, and the performance appraisal is seen as the end process of evaluation, this research adopts a slightly different view. The researcher finds the two terms intertwined. System thinking is employed here where both are seen as a process and not as separate entities.

Performance Contracting The process of arriving at a performance contract. Including specifying the targets to be met, the obligation and the requirements of the two parties entering into the contract.

Performance Monitoring and Reporting: The structured way of tracking progress of targets achievement and generating an appraisal report.

Performance Target: The agreed upon task achievement for a performance indicator.

Public Health Officer/ Public Health Technician: The two terms will be used interchangeably in this research to mean environmental health practitioners.

Soft skills: Mental skills, such as critical thinking, and problem-solving skills required to perform a task.

Stakeholder: In this research, a stakeholder is defined as a Public Health Officer or Technician and his/ her supervisor or employer and any other person or entity directly or indirectly involved in the process.

Stakeholder involvement/participation: In this research participation is seen as a higher level of engagement than just ordinary involvement.

Stewardship: The strategic process through which top management provides motivation and guidance to their sub-ordinates to ensure they remain on course to their call on duty.

2 CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Literature review is defined as a retrospective study and analysis of scholarly articles from authoritative and accredited sources on a topical area. According Linnenluecke et al. (2020), a literature review is an account of what has been published about a topical area by accredited scholars and researchers. Chigbu et al. (2023), view the literature review as an evaluation of selected documents on a research process that compares, contrasts, and evaluates the major theories, approaches, and controversies in the scholarly literature on the subject. This chapter will review past and current work on performance contracting, especially in the health sector. A global, regional and local situation will be analyzed with a view to evaluating past works and identifying knowledge and practice gaps that will be addressed by this research paper.

2.2 Initiation of Performance Contracts in Kenya.

Performance contracting in Kenya was introduced as a public sector reform tool aimed at addressing chronic inefficiencies and underperformance within government institutions (GOK, 2020). The initiative sought to enhance accountability, efficiency, and service delivery through clearly defined performance targets and measurable outcomes. To operationalize this reform, the Performance Contracts Steering Committee (PCSC) was established in August 2003 to oversee its design, implementation, and monitoring across state agencies (Mwangi, 2021).

The first phase of implementation began in 2004 as a pilot involving 16 state corporations, followed by three more in early 2005. Evaluation reports indicated a remarkable improvement, an overall 282% increase in net pretax profits and a 14% increase over set targets compared to

the 2003/2004 baseline (GOK, 2005). These results demonstrated the transformative potential of performance contracting as a mechanism for public sector accountability. The success of this pilot informed a full-scale rollout across the entire public service by July 2005, aligning with Kenya's broader reform agenda under Vision 2030 (Kihara & Ouma, 2022).

Recent empirical studies affirm that performance contracting remains a cornerstone of Kenya's public management reforms, contributing to improved transparency, strategic planning, and citizen-centered service delivery (Fedha, & Kimani, 2022; Wambui et al., 2023). However, researchers caution that the implementation quality varies significantly across sectors and counties, with health systems often lagging due to weak institutional support, resource constraints, and limited political goodwill (Chebet, 2021; Ndirangu & Waithaka, 2024). The health sector, in particular, faces unique challenges in aligning performance targets with patient outcomes and resource availability (Muthoni et al., 2023).

In contemporary governance discourse, performance contracting is increasingly viewed not merely as a management tool but as a policy instrument for achieving equitable and efficient service delivery (Bett, 2024). In the context of Kenya's "Bottom-Up Economic Transformation Agenda" (BETA) and the scaling up of Universal Health Coverage (UHC), performance contracting has been recognized as a mechanism to enhance accountability, resource use efficiency, and responsiveness in devolved health systems (Mutua, 2025; World Bank, 2023).

The evolution of performance contracting in Kenya demonstrates its critical role in driving accountability and improving institutional performance. Nonetheless, the disparities in its implementation especially within devolved health sectors, highlight the need to examine the factors influencing its effectiveness among public health officers, including political

commitment, stakeholder involvement, motivation, and institutional frameworks. These insights directly align with the objectives of this study.

2.2.1 Efficiency of Performance Contracting

Performance contracting has continued to gain prominence as a strategic instrument for enhancing efficiency and accountability within public institutions globally. Its adoption is premised on the assumption that clearly defined targets, measurable indicators, and regular performance reviews drive both efficiency and effectiveness in service delivery (Ocampo et al., 2021; Wanjiku & Muturi, 2023). In public administration, efficiency denotes the optimal use of available resources to produce maximum outputs within the shortest possible time, while effectiveness reflects the extent to which planned objectives and intended outcomes are achieved (Sickles & Zelenyuk, 2020).

Recent literature emphasizes that performance contracts should go beyond numerical targets to foster institutional learning and accountability systems that sustain performance gains (Guo & Li, 2021; Kabeyi, 2022). Establishing clear lines of accountability and systematic monitoring ensures that strategic and financial benefits are realized without compromising service quality or ethical standards.

In Kenya, performance contracting has been a key pillar in public sector reforms since 2004, intended to promote efficiency, transparency, and responsiveness in public service delivery (Onyango et al., 2022). However, efficiency gains have not been uniforming across sectors. Ong'era and Musili (2021) observed that although performance contracting improved reporting structures and target attainment in many state departments, the sustainability of performance gains remained limited due to bureaucratic rigidity and weak feedback mechanisms. They argued

that continuous training and institutionalization of performance culture are vital to maintain momentum after initial implementation phases.

In a quantitative analysis of Kenya's civil service, Guo et al. (2022) employed a stratified sampling approach and established a strong positive correlation between performance contracting and efficiency of departmental performance. Their findings indicated that a unit increase in effective performance contracting practices resulted in a significant rise in performance outcomes, as confirmed by both regression and ANOVA models. These results supported earlier assertions that contracting enhances efficiency when employees are actively engaged and motivated in setting and meeting performance targets.

Comparative evidence from other countries also reinforces these findings. For instance, Al-Sabbagh and Hassan (2023) found that government agencies in Jordan achieved notable efficiency improvements after adopting results-based performance contracts, provided there was political goodwill and timely feedback mechanisms. Similarly, Nyambura and Fedha, (2024) highlighted that, counties in Kenya that integrated digital monitoring tools within their performance contracts realized higher productivity and reduced resource wastage.

Empirical and comparative evidence underscores that performance contracting can substantially enhance public sector efficiency when it is supported by strong monitoring systems, staff engagement, and institutional learning mechanisms. Nonetheless, uneven implementation and weak accountability frameworks often erode these gains. Understanding how such contextual factors influence efficiency in Nyeri County's public health sector is therefore central to this study's objective of examining the determinants of effective performance contracting among public health officers.

2.2.2 Expectations of Performance Contracting

The introduction of performance contracting in Kenya was rooted in the government's ambition to transform public enterprises by integrating private-sector management principles into the public service. The underlying expectation was to cultivate a performance-oriented culture, strengthen accountability for results, and enhance efficiency and effectiveness in service delivery across national and county levels (Halachmi, 2020; Mwangi & Kamau, 2022). By aligning performance targets with strategic national objectives, the framework aimed to ensure that public resources were utilized toward measurable development outcomes, thus bridging the persistent gap between policy formulation and implementation (Fedha, et al., 2023).

From a governance perspective, performance contracting was designed not merely as a monitoring tool but as a transformational reform instrument. It sought to shift focus from procedural control typical of bureaucratic systems to results-oriented management characterized by autonomy, innovation, and accountability (Manyathi et al., 2021). This paradigm shift resonates with global trends in public sector reforms, where performance contracts have been adopted to align institutional performance with citizens' expectations of transparency, service quality, and value for money (Halachmi, 2020; Osei-Tutu & Darko, 2024).

Empirical evidence from Kenya's health sector further validates these expectations. Evaluation of the Kenya Health Sector Strategic and Investment Plan (KHSSP 2012–2017) revealed notable progress in counties that had effectively implemented performance contracts. For example, infant and under-five mortality rates declined, immunization coverage improved, and dropout rates significantly reduced (MoH, 2021). These outcomes were attributed to enhanced accountability

mechanisms and resource optimization resulting from the structured monitoring framework embedded within performance contracts (Muthoni & Wambua, 2023).

Furthermore, a nationwide client perception survey conducted in 2020 demonstrated that public satisfaction with health services increased in facilities operating under performance contracts compared to those that had not adopted the system (Ndiritu & Koskei, 2022). Respondents cited improved staff responsiveness, reduced waiting time, and better service quality, indicating a shift toward citizen-centered service delivery. These findings reinforce the premise that performance contracting, when effectively implemented, can contribute to tangible service delivery improvements at both national and devolved levels (Wanjala et al., 2024).

However, scholars have cautioned that the expected benefits are not automatically realized. The realization of efficiency gains depends on the institutionalization of performance culture, political commitment, and continuous monitoring (Kariuki & Bett, 2025). Without consistent oversight and clear incentives, performance contracts risk degenerating into bureaucratic exercises rather than instruments of genuine reform.

Performance contracting was expected to revolutionize Kenya's public sector by embedding accountability, efficiency, and results-oriented management. Evidence from the health sector supports these expectations, with notable improvements in service outcomes where contracts were effectively implemented. Nevertheless, the persistence of uneven results underscores the need to examine the institutional and motivational factors influencing the realization of these expectations, a key focus of this study.

2.3 Government Policies and Implementation of Performance Contracting

Public policy can be broadly defined as a deliberate set of actions and decisions undertaken by government institutions to achieve specific societal goals. In the context of health systems, policy encompasses not only service delivery mechanisms but also the broader institutional, organizational, and financing arrangements that determine how resources are allocated and outcomes are achieved (Schulmann, et al., 2024). Effective policy implementation, therefore, relies on coordinated engagement between government, implementing agencies, and other stakeholders to translate policy intentions into tangible results (Grafström & Aasma, 2021).

In Kenya, as in many developing countries, politicians play a pivotal role in policy formulation and prioritization, including the allocation of public resources and setting of reform agendas (Mogotloane & Louw, 2024). However, there often exists a sharp disconnect between policy formulation and its actual implementation. Hill and Hupe (2021) argue that, despite the assumption commonly attributed to Thomas Smith's model that implementation naturally follows policy formulation, practical experience suggests otherwise. The implementation process is typically influenced by political dynamics, administrative capacity, and socio-economic conditions, which may distort original policy intentions (Hudson et al., 2022).

The literature identifies two main schools of thought in policy implementation: the top-down approach and the bottom-up approach. The top-down model conceptualizes policy formation and implementation as distinct processes, with directives flowing hierarchically from senior decision-makers to operational-level staff. For this approach to be effective, clear and measurable objectives, sufficient resources, and strong coordination are essential (Imperial, 2021). However, critics note that these ideal conditions rarely exist in practice, making this model prone to

overestimating the power of central authority while underestimating the discretion and agency of implementers (Lane, 2013).

Conversely, bottom-up models emphasize the adaptive role of street-level bureaucrats, the implementers who interpret and modify policies to suit local realities. Scholars such as Scott (2020) and Biron et al. (2024) highlight that successful implementation depends on contextualization translating policy directives into local operational terms. This requires understanding the unique characteristics of target populations, available resources, infrastructure, and the temporal dynamics that influence the success of interventions. These insights are particularly relevant for devolved health systems, where counties must interpret national policies like performance contracting within their specific administrative and resource contexts (Maket, & Naibei, 2025).

The principal Agent Theory further deepens understanding of the relationship between policymakers (principals) and implementers (agents). It posits that the effectiveness of implementation depends on clear communication, incentive alignment, and accountability mechanisms between these actors (Lane, 2013). In the absence of these mechanisms, agents may deviate from intended goals, leading to inefficiency or policy drift. This is particularly salient in the Kenyan health sector, where devolution has sometimes blurred lines of authority between the national Ministry of Health and county health departments (Chebet, 2021).

Despite Kenya's progress in policy development, barriers to effective implementation persist. These include inadequate resources, political interference, fragmented coordination, and weak performance monitoring systems (Grafström & Aasma, 2021; Hudson et al., 2022). Moreover, cultural and behavioral factors such as lack of ownership, insufficient motivation, and resistance

to change undermine sustained policy execution (Wanjiku & Muturi, 2023). As May (2020) emphasizes, genuine policy implementation requires the active participation of all stakeholders, strong communication structures, and a performance-oriented culture embedded at every administrative level.

While government policies establish the strategic direction for reforms such as performance contracting, their success largely depends on effective implementation frameworks that balance top-down directives with local adaptability. The interplay between policy clarity, institutional capacity, and stakeholder commitment determines whether performance contracting achieves its intended efficiency and accountability outcomes. This insight is central to understanding how government policies influence the implementation of performance contracting among public health officers in Nyeri County.

2.3.1 Political goodwill in the implementation of Performance Contracting

Political goodwill is widely acknowledged as a determining factor in the success or failure of public sector reforms, including performance contracting. In the Kenyan context, political actors play a central role in resource allocation, policy prioritization, and institutional direction (Head, 2022; Ndiritu & Koskei, 2022). However, evidence suggests that political leaders often channel resources and attention toward highly visible projects such as infrastructure development that yield immediate political mileage, rather than toward less visible but equally critical interventions such as preventive healthcare or performance monitoring systems (Mutua & Kariuki, 2023). This misalignment creates a disconnect between planning, budget allocation, and the effective implementation of performance contracts, especially within the health sector (Chebet, 2021).

The divergence between political objectives and managerial accountability often complicates the implementation process. Politicians may prioritize short-term gains or patronage networks, whereas managers and technical officers focus on meeting contractual performance targets. Head (2022) argues that this tension undermines institutional coherence, making it difficult to hold managers accountable or to objectively assess performance outcomes. As a result, performance evaluation risks becoming politicized, with the emphasis shifting from service improvement to political expediency (Kariuki & Bett, 2025).

A recurring challenge across several studies is the interference of political actors in administrative functions. When political leaders intervene in recruitment, procurement, or target setting, they erode professional autonomy and distort performance incentives (Osei-Tutu & Darko, 2024). Moreover, inconsistent political support, particularly when performance targets do not align with politicians' visibility interests, can lead to low commitment and underfunding of performance contracting initiatives. The absence of sustained political backing diminishes the morale of implementers, who may perceive the reform as externally imposed rather than locally owned (Mwangi & Kamau, 2022).

To mitigate these challenges, researchers recommend establishing institutional safeguards and coordination mechanisms that promote transparency and depoliticize implementation. These include inter-agency coordinating committees to harmonize objectives, mediate disputes, and clarify reporting lines among stakeholders (Maket, & Naibei, 2025). Such structures can help ensure that performance contracts are implemented based on technical merit and measurable outcomes rather than shifting political agendas.

Political goodwill is not merely an enabling condition but a sustaining force for effective performance contracting. Without consistent political commitment, adequate resource allocation, and respect for institutional autonomy, the implementation of performance contracts particularly in devolved health systems remains vulnerable to disruption. This study, therefore, examines the extent to which political goodwill influences the implementation of performance contracting among public health officers in Nyeri County.

2.3.2 Influence of Rewards and Sanctions in Performance Contracting

One of the most influential determinants of successful performance contracting is the integration of a fair and transparent system of rewards and sanctions. Such systems serve as motivational levers that reinforce desired behaviors and discourage underperformance (Lavanya & Khizerulla, 2024). For performance contracts to be credible and effective, objectively verifiable indicators (OVIs) must be established at the onset to guide evaluation, minimize ambiguity, and prevent shifting of performance benchmarks (Hudson al., 2022).

The role of rewards in enhancing employee morale and commitment has been widely documented. Hudson et al. (2022) argue that recognition, whether verbal, written, or symbolic, acts as a powerful incentive that strengthens employees' emotional attachment to organizational goals. Similarly, Lavanya and Khizerulla (2024) emphasize that rewards and recognition systems are fundamental to sustaining high morale and intrinsic motivation, demonstrating a direct and positive link between reward structures and employee productivity. However, Rice et al., (2020) observed that in many public institutions, promotion and advancement are still based more on tenure than on performance, undermining the motivational purpose of performance contracts.

Modern human resource management perspectives classify rewards into financial and non-financial forms. Financial rewards include salaries, bonuses, allowances, and benefits, while non-

financial rewards encompass recognition, professional development, flexible work arrangements, and opportunities for career progression (Radu, 2024; Reddy, 2021). Effective reward systems are those that align organizational goals with individual aspirations, creating a sense of fairness and mutual benefit (Kipkoech et al.,2021). The absence of such systems often leads to demotivation, high turnover, and reduced performance, particularly in service-oriented sectors like health care (Kisi koi, 2020).

In the health sector, motivation and reward mechanisms are directly linked to the quality of care and employee retention. Cameron (2021) notes that performance management systems should reinforce health workers' intrinsic and extrinsic motivation through recognition of effort and fair remuneration. Where compensation systems are inadequate, employees are less likely to commit discretionary effort, leading to underperformance (Arkport al., 2023). This problem is particularly pronounced in sub-Saharan Africa, where health systems face staff shortages, poor remuneration, and unfavorable working conditions (Blindered al., 2024).

Kenya's public health sector provides a vivid example of these challenges. Frequent industrial actions and high staff turnover have been attributed to dissatisfaction with reward systems, lack of recognition, and limited career advancement opportunities (Mangenu & Muhanga, 2021). To address this, scholars recommend a balanced approach that integrates both financial and non-financial rewards. Such systems not only enhance performance but also cultivate organizational loyalty and resilience (Mwangi & Kamau, 2022).

Equally important to rewards are sanctions for non-performance, which provide accountability and reinforce performance standards. Sanctions such as withdrawal of privileges, reassignment, or corrective training signal institutional seriousness and fairness in performance evaluation

(Bett, 2024). When implemented transparently, sanctions can promote responsibility and discourage complacency, thereby fostering a culture of continuous improvement.

The effectiveness of performance contracting is deeply influenced by how institutions manage rewards and sanctions. A balanced system that recognizes excellence while addressing non-performance creates a fair, motivating, and accountable work environment. In Kenya's devolved health sector, aligning performance-based rewards with measurable outcomes could significantly enhance motivation and commitment among public health officers directly supporting the objectives of this study.

2.4 Stakeholders Involvement

2.4.1 Stakeholders' Involvement in Implementation of Performance Contracting

Stakeholder involvement is a fundamental element in the successful implementation of performance contracting, as it promotes shared ownership, transparency, and accountability. Performance targets defined as specific, measurable outcomes that support the achievement of organizational objectives serve as the foundation for assessing progress (Zandi, et al., 2024). Targets should be specific, measurable, achievable, relevant, and time-bound (SMART), ensuring clarity regarding who is responsible, what is expected, and how outcomes will be evaluated. Setting overly ambitious or ambiguous targets can undermine motivation and performance, leading to undesirable behaviors such as “gaming the system” or manipulating results to appear compliant (Zandi et al., 2024).

Effective performance contracting emphasizes participatory goal setting, where all key stakeholders' employees, managers, policymakers, and clients are actively involved in defining objectives and evaluation criteria. Armstrong (2022) posits that involving employees in target setting fosters ownership and commitment, as individuals tend to maintain and support

initiatives, they have helped design. Similarly, Graf Strom and Aasma (2021) argue that such participation enhances trust and psychological empowerment, allowing employees to feel a sense of control over their responsibilities and available resources. This participatory approach resonates with Goal-Setting Theory, which holds that engagement in defining achievable yet challenging goals enhances intrinsic motivation and sustained effort (Latham, 2023).

Latham (2023) further stresses that clarity and mutual understanding of targets are essential for performance contracts to be effective. Ambiguity in measurement criteria, such as unclear denominators or indicators, can compromise the reliability and validity of performance data. Therefore, both supervisors and appraisees must agree on performance metrics prior to contract signing to ensure that expectations are transparent and mutually understood. This clarity is particularly critical in the public health sector, where performance indicators must align with broader policy outcomes such as improved service delivery, resource utilization, and patient satisfaction (Ndirangu & Waithaka, 2024).

Stakeholder involvement extends beyond target setting to include continuous feedback and adaptive learning. Brown et al. (2020) note that effective performance management systems incorporate regular feedback mechanisms that allow for early identification of implementation challenges and timely adjustment of targets. Wei (2021) concurs, emphasizing that organizations that provide flexibility for target revision foster greater ownership and commitment among employees. This iterative process ensures that performance contracting remains dynamic, reflective of emerging realities, and responsive to both internal and external changes.

Anona (2023) adds that the primary challenge in performance contracting is often attitudinal rather than technical. While skills and resources are necessary, sustained performance depends

on cultivating a value-based culture and leadership that motivates stakeholders to pursue ambitious but meaningful goals. The temptation to pursue “low-hanging fruits”, easy-to-achieve targets that distort the purpose of performance contracting, must be avoided through robust monitoring, integrity-based leadership, and ethical reinforcement (Mutua & Kariuki, 2023).

In essence, stakeholder involvement in performance contracting is a catalyst for organizational learning, accountability, and performance excellence. Participatory target setting, transparent feedback mechanisms, and adaptive management processes foster a sense of ownership and motivation among employees. In Kenya’s devolved health sector, active engagement of health officers, administrators, and community representatives in setting and reviewing performance targets is vital to ensuring that performance contracting translates into tangible improvements in service delivery, aligning directly with this study’s objectives.

2.4.2 Capacity building

Capacity building refers to the systematic process of developing, strengthening, and sustaining the skills, knowledge, and competencies of employees to enhance organizational performance (Sedik et al., 2024). According to Latham (2023), organizations must provide continuous opportunities for employees to sharpen their skills and acquire new competencies, as overall performance largely depends on the quality, specialization, and motivation of human resources. In the context of performance contracting, capacity building ensures that employees possess the technical and managerial competencies required to achieve set targets effectively.

One of the most effective forms of capacity building is Continuous Professional Development (CPD). CPD encompasses short courses, on-the-job training, mentorship programs, workshops, and online learning opportunities designed to keep employees’ knowledge current and relevant (Burns, 2023; Drudeet al., 2019). In the health sector, CPD serves as a strategic mechanism for

upskilling the workforce to meet emerging challenges such as new disease patterns, technological innovations, and evolving patient expectations (Karabacak & Margetis, 2023). Rivaldo and Nabella (2023) conceptualize training as a deliberate and structured process aimed at enhancing employees' proficiency to align individual capabilities with organizational objectives.

As the healthcare landscape evolves rapidly with technological advancements, e-health innovations, and global health threats such as drug resistance, continuous learning becomes indispensable (Haryono et al., 2020). Through targeted training and professional development, organizations bridge knowledge and performance gaps, improving both employee confidence and service delivery outcomes. Kroese (2022) emphasizes that capacity building helps organizations develop socially and technically competent staff capable of adapting to dynamic work environments.

Training also offers psychological and motivational benefits. Bakker and Van Wingerden (2021) highlight that deliberate investment in CPD enhances employees' sense of belonging, reduces job-related stress, and improves satisfaction and commitment. Similarly, Mahmood et al., (2023) demonstrate that trained employees exhibit higher organizational competence, adaptability, and willingness to align their performance with institutional goals. Training not only sharpens technical expertise but also nurtures a positive work culture anchored on continuous improvement and shared accountability.

Globalization, technological change, and shifting economic conditions have made training and retraining a strategic necessity for organizational competitiveness (Sidik et al., 2024). Organizations that proactively invest in staff development experience better innovation, reduced

turnover, and stronger resilience in the face of change (Rivaldo & Nabella, 2023). In Kenya's devolved health system, structured capacity building enables county health officers to adapt to evolving service delivery requirements, data management technologies, and community health initiatives (Anuna, 2023).

In the implementation of performance contracting, capacity building directly influences target achievement. Employees who receive adequate training understand performance indicators better, implement action plans effectively, and are more likely to innovate in service delivery (Cameron, 2021). Conversely, insufficient training can result in errors, low morale, and resistance to change. Continuous Professional Development, therefore, is not a one-off intervention but an ongoing organizational commitment that aligns workforce capability with evolving performance standards (Soggier, 2020).

Capacity building is a cornerstone of effective performance contracting. Through sustained professional development, employees gain the competence and confidence necessary to meet performance targets and adapt to emerging challenges. In Kenya's health sector, integrating CPD and capacity-building initiatives into the performance contracting framework can strengthen accountability, improve service quality, and enhance employee motivation key objectives of this study.

2.4.3 Monitoring and Evaluation

Monitoring and Evaluation (M&E) is a cornerstone of performance management and a fundamental determinant of the success of performance contracting. The philosophy underpinning M&E is captured in Kihama and Wainaina's (2019) assertion that "what isn't measured doesn't get managed, and what gets measured gets done." They further emphasize that effective performance management requires clear, measurable indicators that enable both

recognition of success and correction of failure. This argument aligns with Armstrong and Ma (2020), who posit that measurement not only enhances accountability but also nurtures a culture of continuous learning and improvement within organizations.

Performance measurement enables institutions to translate abstract objectives into observable, quantifiable outcomes. According to Rouhani and Deters (2021), performance evaluation involves systematically rating actual achievements against negotiated targets established at the beginning of the contract cycle. The process ensures that performance contracting remains transparent, evidence-based, and result-oriented. Within the Kenyan public sector, this principle has been operationalized through frameworks such as the Public Sector Reform and Performance Contracting (PSR&PC) guidelines (2008–2011), which stress that documented, verifiable results form the basis of institutional accountability.

Monitoring and evaluation frameworks serve multiple purposes beyond accountability they are vital tools for organizational learning, policy refinement, and adaptive management. The KHSSP, (2018–2023) underscores that continuous monitoring allows for systematic tracking of progress against agreed interventions, enabling timely identification of challenges and corrective actions. Mid-term evaluations assess whether performance targets remain realistic and achievable, while end-term evaluations measure the overall success of interventions and inform subsequent planning cycles. This iterative feedback mechanism ensures that lessons learned are translated into future policy and operational improvements (Murphy, 2020).

However, the effectiveness of M&E systems is contingent upon the quality of feedback mechanisms and leadership responsiveness. Murphy (2020) found that in many public institutions, performance feedback is either inconsistent or narrowly focused on employee

weaknesses rather than on developmental improvement. Constructive, participatory feedback not only reinforces accountability but also enhances employee motivation and engagement (Kimani & Louw, 2023). Kihama and Wainaina (2019) therefore advocate for feedback models that recognize achievements, clarify expectations, and provide pathways for professional growth, particularly in sectors such as health where performance outcomes directly affect service delivery quality.

Recent studies highlight that well-structured M&E systems have the potential to strengthen institutional effectiveness and public trust. For instance, Ngugi and Patel (2022) found that continuous evaluation fosters transparency and supports data-driven decision-making, which are crucial for sustaining health sector reforms. In devolved health systems, M&E also enhances interdepartmental coordination and ensures that limited resources are allocated to high-impact areas (Obiero & Mwangi, 2024). Nonetheless, challenges such as inadequate capacity, lack of real-time data, and resistance to scrutiny continue to hinder effective implementation in many counties.

Monitoring and evaluation form the backbone of performance contracting, ensuring that commitments are translated into measurable results. An effective M&E system establishes accountability, enhances transparency, and promotes a culture of learning and continuous improvement. In Kenya's devolved health system, strengthening M&E practices through timely feedback, data-driven decision-making, and capacity development can significantly improve implementation outcomes, aligning with this study's objective of optimizing performance contracting among public health officers.

2.5 Employee Motivation

Employee motivation refers to the level of enthusiasm, creativity, dedication, and energy that employees invest in their work to achieve organizational goals. It reflects both the psychological drive and the external conditions that influence employee engagement and performance. Herzberg's Two-Factor Theory remains one of the most influential frameworks in understanding motivation, distinguishing between hygiene factors such as pay, policies, working conditions, and job security, and motivators such as recognition, responsibility, growth opportunities, and achievement (Sobaih & Hasanein, 2020). While hygiene factors prevent dissatisfaction, motivators actively promote job satisfaction and higher productivity (Schiemann, 2017).

In the public sector, where bureaucratic constraints often limit intrinsic motivation, balancing financial and non-financial incentives becomes crucial. Ma (2019) observes that remuneration remains one of the strongest extrinsic motivators, as financial compensation directly fulfills basic and social needs. However, exclusive reliance on financial incentives may lead to short-term compliance rather than long-term commitment. Recent studies emphasize the importance of integrating intrinsic motivators such as recognition, autonomy, and a sense of purpose into organizational performance systems (Ali & Anwar, 2021; Malin, 2020).

Ali and Anwar (2021) found that salary increments and recognition-based rewards significantly enhance employee satisfaction, particularly when accompanied by job security and opportunities for career advancement. Similarly, Malin (2020) demonstrated that non-monetary factors, including workplace appreciation, professional development, and supportive supervision, have a stronger and more sustained influence on job motivation than financial rewards alone. These

findings align with Wang and Lim (2018), who argue that recognition-based motivation enhances self-efficacy, which in turn improves job performance.

Motivation also plays a pivotal role in performance contracting. For performance contracts to be effective, employees must perceive a clear link between their efforts, outcomes, and rewards. Anselmo (2021) emphasizes that objectively verifiable indicators (OVIs) should be established at the beginning of the contract period to ensure fair evaluation and prevent shifting performance targets. Transparent evaluation and fair rewards not only build trust but also sustain motivation to meet and exceed agreed targets. Conversely, when employees perceive evaluation as inconsistent or biased, their motivation diminishes, undermining performance outcomes (Kipkoech & Sang, 2022).

In Kenya's devolved health sector, intrinsic and extrinsic motivators jointly determine the success of performance contracting. Health professionals are more likely to remain committed when they receive both fair remuneration and professional recognition. Blinderet al., (2024) argue that the absence of adequate motivation mechanisms in public health institutions has contributed to staff turnover, absenteeism, and industrial unrest. Integrating structured motivation systems through financial rewards, capacity-building opportunities, and clear performance feedback can therefore enhance accountability and the sustainability of performance contracting outcomes.

Employee motivation is both a psychological and managerial lever for effective performance contracting. A well-balanced system that combines extrinsic rewards with intrinsic motivators such as recognition and career development fosters commitment, accountability, and productivity. In the context of Kenya's public health sector, aligning motivational strategies with

performance contract targets is essential for improving employee engagement and achieving institutional goals.

2.5.1 Human Resource Strategies' Influence on Implementation of Performance Contracting

A Human Resource Strategy (HRS) provides a comprehensive framework for managing an organization's workforce to align people management practices with institutional goals. It encompasses recruitment, training, performance appraisal, compensation, and employee relations, with the overarching aim of optimizing human capital for sustained performance (Armstrong, 2021). Effective HR strategies ensure that employees are well-equipped, motivated, and supported to deliver on organizational mandates such as performance contracting.

Human resource planning, a central component of HRS, involves forecasting staffing needs, identifying skills gaps, and developing strategies to attract, retain, and develop talent in alignment with organizational objectives (Anwar & Abdullah, 2021). This alignment is especially crucial in the public health sector, where workforce shortages and skill mismatches can directly affect service delivery outcomes. Scholars consistently affirm that human resources are among an organization's most valuable assets, and managing them strategically is fundamental to achieving competitive and operational advantage (Gerhart & Feng, 2021; Kim, 2021).

Empirical evidence reinforces the positive link between human resource management (HRM) strategies and performance outcomes. Anwar and Abdullah (2021) found a significant relationship between HRM practices particularly recruitment, training, and appraisal and the effectiveness of performance contracting in Kenya's local authorities. Similarly, Gerhart and Feng (2021) demonstrated that HR capabilities are critical enablers of organizational

performance, particularly when integrated into broader institutional goals. Luu (2022) further argued that organizational success is contingent upon how effectively HR strategies are implemented, with strategic HRM fostering adaptability and innovation.

In the Kenyan context, frontline workers such as Public Health Officers (PHOs) play a pivotal role in bridging community needs and the formal health care system. Their engagement, motivation, and commitment are shaped by HR policies related to training, promotion, remuneration, and welfare. Idolor et al., (2023) assert that when HR strategies prioritize employee development and well-being, the result is higher productivity, reduced turnover, and greater accountability. Conversely, inadequate HR systems often result in demotivation, poor communication, and resistance to performance contracting reforms (McNamara et al., 2021).

Effective HR strategies also contribute to the institutionalization of performance contracting by embedding performance indicators into appraisal systems and linking rewards to measurable outcomes. Kim (2021) highlights that organizations with performance-oriented HR frameworks achieve stronger alignment between individual and institutional objectives. This alignment ensures that performance contracting is not perceived as a bureaucratic exercise but as a shared accountability mechanism that promotes professional growth and service excellence.

Human resource strategies are the backbone of effective performance contracting implementation. Strategic HRM practices ranging from workforce planning to appraisal and reward systems create an enabling environment for employee engagement, accountability, and continuous improvement. In Kenya's devolved health sector, strengthening HR strategies that emphasize capacity development, fair appraisal, and career progression can significantly enhance the implementation and sustainability of performance contracting among public health officers

2.5.2 Job Satisfaction

Job satisfaction is a multidimensional construct that reflects an employee's emotional and cognitive evaluation of their work experiences. Judge et al. (2020) define it as a "delightful or gratifying emotional state resulting from the appraisal of one's job or job experiences." Satisfied employees tend to exhibit higher productivity, commitment, and lower turnover rates, making job satisfaction a critical determinant of organizational success.

Job satisfaction encompasses attitudes toward various facets of the job, including compensation, career progression, supervisory relationships, and the nature of the work itself. When employees perceive fairness and equity between their input and rewards, they are more likely to feel valued and motivated (Wood et al., 2023). Conversely, perceptions of under-compensation, stagnation, or lack of recognition can lead to dissatisfaction, absenteeism, and even industrial unrest. In Kenya's public health sector, disparities in remuneration and limited promotion opportunities have been repeatedly cited as major sources of dissatisfaction and performance decline (Kabeyi, 2019).

Career development opportunities are another strong predictor of job satisfaction. Employees who perceive clear advancement pathways tend to demonstrate stronger organizational loyalty and persistence in achieving institutional goals. Similarly, job security and tenure stability contribute to emotional well-being and motivation (Asad et al., 2023). A workplace that nurtures trust, fairness, and professional growth promotes psychological ownership, an essential ingredient for successful performance contracting implementation.

From a theoretical standpoint, the Goal-Setting Theory posits that measurable and challenging goals enhance satisfaction by aligning personal and organizational ambitions. Asad et al. (2023) argue that performance contracts, when designed with clear and achievable goals, strengthen

employees' sense of purpose and accomplishment, resulting in greater satisfaction and commitment. In contrast, unrealistic or poorly communicated targets can create stress, reduce motivation, and erode job satisfaction.

Empirical studies reinforce this connection between performance contracting and job satisfaction. Kabeyi (2019) and Wood et al. (2023) found that employees under performance-related pay (PRP) and incentive-based schemes reported significantly higher satisfaction levels than those under fixed pay systems. Similarly, Dodoo and Al-Samarraie (2019) observed that employees' satisfaction levels increase when performance appraisal systems are perceived as transparent and fair. These findings underscore the importance of linking performance evaluation to equitable reward structures, especially in public sector environments where perceptions of fairness strongly influence morale and retention.

Job satisfaction is both a driver and an outcome of effective performance contracting. When employees perceive fairness, recognition, and opportunities for growth within the performance contract framework, they are more likely to remain motivated, productive, and loyal. In Kenya's public health sector, embedding fair appraisal systems, performance-based incentives, and transparent promotion pathways into performance contracting can enhance job satisfaction and, consequently, organizational performance.

2.5.3 Occupational Safety and Health

Occupational Safety and Health (OSH) encompass the policies, practices, and systems designed to safeguard employees' physical, mental, and social well-being in the workplace. The World Health Organization (WHO) and International Labour Organization (ILO) emphasize that ensuring safe working environments is not only a human right but also an economic imperative. Recent International Labour Organization (ILO, 2024) estimates indicate that over 2.2 million

workers die annually from occupational injuries and illnesses, while 264 million non-fatal accidents result in extended work absences. These incidents collectively account for approximately 4% of the world's Gross Domestic Product (GDP) lost each year to work-related diseases and accidents. Such statistics underscore the need for organizations, particularly in the public health sector, to integrate OSH measures into performance management systems.

The Kenyan Occupational Safety and Health Act (2007) mandates employers to provide reasonable protection to workers by ensuring safe workplaces, appropriate personal protective equipment (PPE), and adequate training. The Act also emphasizes the employer's responsibility to maintain hygienic, ventilated, and well-lit workspaces and to establish first-aid facilities. The central goal of OSH is primary prevention, minimizing exposure to hazards that may result in injuries, infections, or stress-related disorders. Asad et al. (2023) highlight that unsafe work environments and inadequate safety training are among the leading causes of occupational accidents, especially in health institutions where workers are exposed to physical, chemical, and biological hazards.

Boudreau (2024) emphasizes that effective OSH programs must be integrated into the broader organizational strategy to reduce the frequency and severity of occupational injuries and illnesses. Such integration not only protects employees but also enhances productivity, as healthy workers demonstrate higher engagement, morale, and job satisfaction. Andersen et al. (2021) and Johnston et al. (2021) support this view, observing that organizations with strong OSH cultures report lower absenteeism, reduced litigation, and improved organizational reputation. These benefits translate into measurable performance outcomes that align with the goals of performance contracting.

Embedding safety and health into the organizational culture requires leadership commitment and employee participation at all levels. Andersen et al. (2021) note that successful OSH programs are characterized by top-down support and bottom-up engagement, where safety is viewed not as a compliance requirement but as a shared responsibility. In public institutions, this participatory culture ensures that safety practices are sustained even under resource constraints. Such engagement is essential in Kenya's public health facilities, where inadequate equipment, long working hours, and exposure to infectious diseases elevate occupational risks.

Dodoo and Al-Samarraie (2019) argue that workplace accidents are typically caused by two interrelated factors: unsafe conditions and unsafe behaviors. Addressing these issues requires both environmental and behavioral interventions, investments in infrastructure, regular training, and continuous monitoring of safety standards. Incorporating OSH performance indicators into performance contracts could help institutionalize accountability for safety outcomes, thereby linking employee well-being to organizational effectiveness.

Occupational safety and health are integral to employee performance and the successful implementation of performance contracting. A safe and supportive work environment minimizes absenteeism, enhances morale, and promotes accountability, all key elements of productivity. For Kenya's public health sector, embedding OSH standards within performance contracting frameworks ensures that health workers remain motivated, protected, and able to deliver quality services, directly advancing this study's objective of improving institutional performance and employee satisfaction.

2.6 Institutional Factors influencing the implementation of performance contracting

2.6.1 Strategic Planning

Strategic planning is a deliberate organizational process through which leaders define long-term goals, establish priorities, and allocate resources to achieve desired outcomes. It involves crafting a clear vision, mission, and operational framework that guides an organization's direction and performance (Kabeyi, 2019). A well-designed strategic plan breaks down long-term objectives into actionable, time-bound components such as Annual Work Plans (AWPs), which form the foundation for developing and implementing performance contracts (PCs).

In the public sector, strategic planning serves as the blueprint for performance management, ensuring that institutional goals are cascaded from national to departmental levels. Kabeyi (2019) argues that strategic planning begins with a comprehensive diagnosis of an organization's current state to determine where it wants to be and how to get there. Similarly, Mwalim et al. (2019) emphasize that performance contracts should directly derive from the strategic plan's objectives, thereby creating a logical linkage between institutional vision and individual performance indicators. When performance contracts are detached from strategic goals, organizations risk misalignment, inefficiency, and duplication of effort.

Strategic planning in Kenya's health sector follows a structured approach. The National Health Sector Strategic and Investment Plan (NHSSIP) provides the overarching framework that guides county governments in formulating their localized five-year health strategic plans. Each of the 47 counties then customizes the national plan to reflect contextual realities such as disease burden, resource availability, and demographic dynamics (Republic of Kenya, 2023). These county

strategic plans articulate mission statements, core objectives, resource needs, and monitoring and evaluation (M&E) frameworks that inform Annual Work Plans, from which PCs are derived.

Recent literature highlights that the alignment between strategic planning and performance contracting enhances accountability and performance outcomes. Mwangi and Kirui (2021) observed that when departments develop AWP that are directly informed by strategic goals, employees demonstrate a stronger sense of ownership and clarity of purpose. Conversely, weak linkages between strategic planning and PCs often result in fragmented implementation and poor monitoring. Ochieng and Akinyi (2022) similarly found that in counties where PCs were developed independently of strategic plans, departments reported inconsistent performance metrics and overlapping priorities.

In healthcare institutions, strategic planning also fosters interdepartmental coordination and prioritization of limited resources. By setting measurable objectives, managers can allocate resources efficiently and monitor progress through M&E systems (Karimi & Mugo, 2024). This structured approach enhances institutional learning and adaptability, critical features of effective performance contracting. As the UNDP (2021) notes, performance targets must be specific, measurable, achievable, relevant, and time-bound (SMART), ensuring that they align with both institutional objectives and broader policy frameworks.

However, challenges persist in the Kenyan context, including limited technical capacity for data-driven planning, inadequate stakeholder involvement, and weak feedback mechanisms (Ng'ang'a & Oketch, 2023). Addressing these gaps requires deliberate capacity-building initiatives and stronger integration between strategic and operational planning processes to ensure that performance contracts genuinely drive service delivery improvements.

Strategic planning provides the structural and conceptual foundation for effective performance contracting. It ensures coherence between institutional vision, resource allocation, and operational targets. In Kenya's devolved health sector, aligning performance contracts with strategic plans enhances accountability, coordination, and evidence-based decision-making—key pillars in achieving improved performance among public health officers.

2.6.2 Core Values

Core values represent the deeply held principles and ethical standards that guide organizational behavior and decision-making. They act as a moral compass, shaping attitudes, relationships, and actions within an institution (Jerve, 2023). Common organizational values such as integrity, accountability, transparency, professionalism, and teamwork serve as behavioral anchors that foster trust and consistency in service delivery. In public sector institutions, particularly in healthcare, core values are essential in aligning individual actions with institutional goals, ensuring that service delivery remains people-centered, ethical, and accountable.

Arieli et al. (2020) define values as enduring beliefs that influence how individuals and groups behave within an organization. In the healthcare context, these values manifest in principles such as respect for patient rights, professional integrity, confidentiality, and equity of care. When health professionals internalize such values, they are more likely to engage empathetically with clients and uphold ethical standards even under pressure. However, when organizational values are poorly articulated or inconsistently practiced, employees may develop cynicism toward institutional initiatives like performance contracting (Muriithi, 2021).

Core values are not static; they evolve in response to internal and external pressures. In today's dynamic healthcare environment, technological advancements, increasing patient awareness, and

stringent regulatory frameworks have forced institutions to redefine their value systems to remain competitive and credible (Jerve, 2023). Upholding strong ethical values ensures that healthcare workers interpret performance contracts not as punitive measures but as accountability tools designed to improve service delivery and professional excellence.

Muriithi (2021) emphasizes that core values are embedded in an organization's culture and directly influence how employees interact with both internal and external stakeholders. Employees who identify with their organization's values demonstrate stronger commitment, better teamwork, and improved performance outcomes. Conversely, a misalignment between stated and practiced values can undermine morale and trust, reducing the effectiveness of performance contracts. When health workers perceive PCs as coercive or politically driven rather than developmental, they may resist or underperform, thereby weakening institutional outcomes (Arieli et al., 2020).

Institutionalizing core values requires more than displaying them on mission statements; it involves embedding them into recruitment, performance appraisal, and reward systems (Mwangi & Wanjiku, 2024). Organizations that consistently reinforce value-based behavior through leadership modeling and recognition mechanisms cultivate a positive ethical climate that promotes accountability and innovation. In Kenya's public health sector, where corruption, absenteeism, and ethical lapses have occasionally undermined service delivery, embedding ethical values into performance contracting frameworks can help restore trust and enhance sustainability.

Core values form the ethical foundation upon which performance contracting succeeds or fails. Institutions that align their performance systems with deeply held values such as integrity,

professionalism, and accountability foster a culture of ownership and commitment. In Kenya's devolved health sector, reinforcing core values within performance contracting frameworks can enhance motivation, strengthen ethical conduct, and promote effective implementation key to achieving the objectives of this study.

2.6.3 Performance Monitoring and Reporting and Performance Contracting

Effective monitoring and reporting are integral components of successful performance contracting (P.C.) implementation. Monitoring involves the continuous assessment of activities and progress toward agreed-upon targets, while reporting provides the documented evidence of achievements, challenges, and lessons learned over the contract period. According to Siddiquei et al. (2022), the credibility of P.C. largely depends on the clarity of performance indicators, evaluation criteria, and reporting mechanisms established at the onset of the contract. Both contracting parties must have a shared understanding of what constitutes success or failure to ensure objectivity and fairness in evaluation.

Periodic evaluation, commonly at mid-year and end-of-year intervals, enables institutions to track progress, identify implementation gaps, and make evidence-based adjustments (Rudman, 2020). Mid-year reviews serve as an early warning system that highlights areas requiring corrective action, while end-of-year assessments provide a comprehensive picture of overall performance and inform subsequent contracting cycles. However, these mechanisms often face challenges such as limited feedback, weak data systems, and a lack of timely follow-up (Gulati & Wohlgezogen, 2023).

Malin (2020) emphasizes that performance contracts must be implemented dynamically to remain relevant to evolving institutional and environmental realities. Static contracts that fail to

adapt to emerging challenges, such as resource constraints or policy shifts, risk losing their motivational and operational value. Regular monitoring, therefore, is not merely an administrative task but a learning process that helps refine goals, align performance standards with organizational priorities, and sustain accountability.

Despite the recognized importance of monitoring and reporting, many public institutions still struggle with fragmented data systems, inconsistent feedback loops, and inadequate evaluation capacity (Wainaina & Ouma, 2023). These weaknesses result in delayed corrective actions and poor institutional learning, undermining the performance contracting framework. Gulati and Wohlgezogen (2023) argue that in several public agencies, there exists a misalignment between declared goals and actual implementation practices, largely due to the absence of a structured monitoring culture and insufficient performance data utilization.

Strengthening performance monitoring and reporting requires institutionalizing clear guidelines, periodic review mechanisms, and transparent feedback systems. In Kenya's health sector, real-time digital dashboards and integrated health information systems could be leveraged to enhance data accuracy and facilitate timely decision-making. Additionally, participatory monitoring where health workers, supervisors, and community stakeholders collectively assess progress can increase ownership, accountability, and transparency (Mwangi & Kamau, 2024).

Continuous monitoring and timely reporting are essential to the success of performance contracting. They ensure accountability, facilitate learning, and promote adaptive management in response to evolving challenges. In Kenya's devolved health sector, strengthening monitoring frameworks through digital innovation and stakeholder participation can enhance transparency,

data-driven decision-making, and the effective achievement of performance contracting objectives.

2.6.4 Leadership and Management Styles

Leadership and management styles play a central role in shaping employee motivation, organizational culture, and ultimately, the successful implementation of performance contracting (P.C.). Management style refers to the characteristic approach a manager adopts to influence, direct, and support employees toward the attainment of organizational goals (Kabeyi, 2021). The effectiveness of a performance contract largely depends on how leaders engage their teams, communicate expectations, and model accountability.

Different management styles have distinct implications for performance contracting. The autocratic style is characterized by centralized decision-making where the manager maintains full control and expects strict compliance from subordinates. While this style may enhance efficiency in crises, it can suppress creativity and reduce employee morale, undermining the participatory ethos required for sustainable P.C. outcomes (Mugambi & Kihara, 2023). Conversely, the participative or democratic style encourages joint decision-making, allowing employees to contribute ideas and assume ownership of organizational goals. Studies have shown that participative leadership fosters a sense of inclusion, which enhances accountability and employee commitment to achieving contract targets (Ouma & Mwangi, 2024).

The transformational leadership style which emphasizes vision, inspiration, and empowerment, has emerged as one of the most effective approaches in contemporary public management. Transformational leaders communicate clear goals, provide intellectual stimulation, and model ethical behavior, leading to higher motivation and stronger alignment between individual and

organizational objectives (Bass & Riggio, 2021). Within the framework of performance contracting, transformational leadership enhances adaptability, innovation, and trust, which are critical in achieving agreed-upon outcomes (Kilonzo & Obura, 2022).

In contrast, laissez-faire leadership, characterized by minimal supervision and delegation of authority, often results in weak accountability and inconsistent performance outcomes if not properly structured (Njuguna & Cheruiyot, 2021). However, in organizations with highly skilled and self-driven employees, a limited laissez-faire approach can promote autonomy and innovation, particularly in task-oriented environments. The paternalistic and persuasive styles, where managers guide employees with a protective or convincing approach, may foster loyalty and compliance but can also perpetuate dependency if empowerment mechanisms are lacking (Zhou, 2020).

In Kenya's devolved public health system, leadership remains a critical determinant of P.C. success. Health facility managers who adopt participatory and transformational approaches tend to inspire cooperation, transparency, and proactive problem-solving, all of which enhance implementation efficiency (Mwenda & Kamau, 2024). On the other hand, autocratic and bureaucratic management cultures often create resistance, low morale, and limited accountability undermining the core goals of performance contracting such as improved service delivery and measurable results (Muturi & Waweru, 2023).

Leadership and management styles significantly influence the implementation of performance contracting. Transformational and participative styles promote shared ownership, accountability, and motivation, while rigid or overly centralized approaches constrain innovation and engagement. For Kenya's health sector, adopting adaptive, participatory, and ethical leadership

models is crucial to achieving sustainable performance improvements under the P.C. framework and directly supports this study's objective of enhancing public health officers' effectiveness.

2.7 Theoretical Framework

Knight, et al. (2022) argue that research must be anchored in a scientific framework that forms the backbone of scholarly inquiry. A theoretical framework guides the researcher to identify variables to explore and provides a structured foundation for explaining the relationships between them (Varpio et al., 2020). This study draws upon three main theories—the Principal-Agent Theory, the Goal-Setting Theory, and Herzberg's Two-Factor Theory—to explain how various factors influence the implementation of performance contracting (P.C.) among Public Health Officers (PHOs) in Nyeri County, Kenya.

2.7.1 Principal-Agent Theory

The Principal-Agent Theory (Ayee, 2008; Petri, 2002) provides a framework for understanding the relationship between two parties the principal (employer/government) and the agent (employee/public health officer) who engage in a contractual arrangement where the agent is expected to act in the principal's best interest. In performance contracting, the principal sets objectives, allocates resources, and evaluates performance, while the agent is tasked with achieving the agreed-upon targets. However, as Ssengooba (2010) notes, information asymmetry and divergent interests often lead to inefficiencies, where the agent may pursue "low-hanging fruits" to minimize risk or appear compliant.

This theory informs the government policies and stakeholder involvement variables in the conceptual model. Clear policy frameworks, effective monitoring, and transparent communication mechanisms can reduce information gaps and align the principal-agent relationship, fostering accountability and trust. Involving stakeholders in goal setting and

evaluation also enhances transparency and reduces opportunistic behaviors, thus improving P.C. implementation outcomes.

2.7.2 Goal-Setting Theory

Edwin Locke's Goal-Setting Theory (1968) posits that individuals are motivated to achieve specific, challenging, and attainable goals. According to Gutt et al. (2020), clear and measurable goals provide focus, stimulate effort, and enhance performance when supported by feedback and motivation. In performance contracting, this means that the clarity, measurability, and difficulty of targets significantly determine success. Khanagha et al. (2022) further argue that organizational systems that integrate structured feedback loops and performance reviews create a sense of accountability and purpose among employees.

This theory directly informs the institutional factors variable of the study—particularly those related to target setting, monitoring and evaluation frameworks, and strategic planning. When institutions set clear, SMART goals, and provide regular feedback, employees are more likely to channel their efforts toward achieving P.C. objectives. Additionally, the theory supports the inclusion of stakeholder involvement, since participatory goal setting enhances ownership and motivation.

2.7.3 Herzberg's Two-Factor Theory

Herzberg's Two-Factor Theory distinguishes between hygiene factors (e.g., salary, work conditions, policies) and motivators (e.g., recognition, responsibility, achievement) as the two key dimensions influencing employee motivation (Schiemann, 2017; Sobaih & Hasanein, 2020). While hygiene factors prevent dissatisfaction, motivators actively foster engagement and higher performance. In the context of performance contracting, both dimensions play a crucial role: fair remuneration, conducive work environments, and clear career progression pathways sustain

commitment, while intrinsic motivators such as recognition and growth opportunities drive employees to exceed targets.

This theory underpins the employee motivation variable in the conceptual model. It highlights how both intrinsic and extrinsic factors jointly influence the willingness and enthusiasm of public health workers to achieve P.C. goals. The theory also complements the Goal-Setting Theory by explaining why well-designed reward systems and recognition mechanisms reinforce the pursuit of organizational objectives.

2.7.4 Integration of Theories into the Conceptual Framework

Collectively, these three theories provide a comprehensive lens for examining the factors influencing the implementation of performance contracting:

- Principal–Agent Theory explains the structural and governance relationship between policymakers (principals) and implementers (agents), thus grounding the variables on government policy and stakeholder involvement.
- Goal-Setting Theory highlights the motivational and cognitive processes involved in target setting, aligning with the variable of institutional factors such as planning, feedback, and monitoring mechanisms.
- Herzberg’s Two-Factor Theory addresses the psychological and behavioral aspects of employee performance, providing the foundation for the employee motivation variable.

Together, these theories clarify that successful P.C. implementation depends on a well-aligned institutional environment (Goal-Setting), balanced governance and accountability structures (Principal–Agent), and motivated employees (Herzberg). The convergence of these perspectives

allows for a holistic understanding of how performance contracting operates within Kenya's devolved health system.

2.8 Conceptual Framework

According to Mugizi (2019), a conceptual framework is a schematic or narrative representation that illustrates the variables to be studied and the presumed relationships among them. Guided by the three theories above, the conceptual framework for this study proposes that government policies, stakeholder involvement, employee motivation, and institutional factors are the independent variables influencing the implementation of performance contracting (dependent variable) among PHOs in Nyeri County.

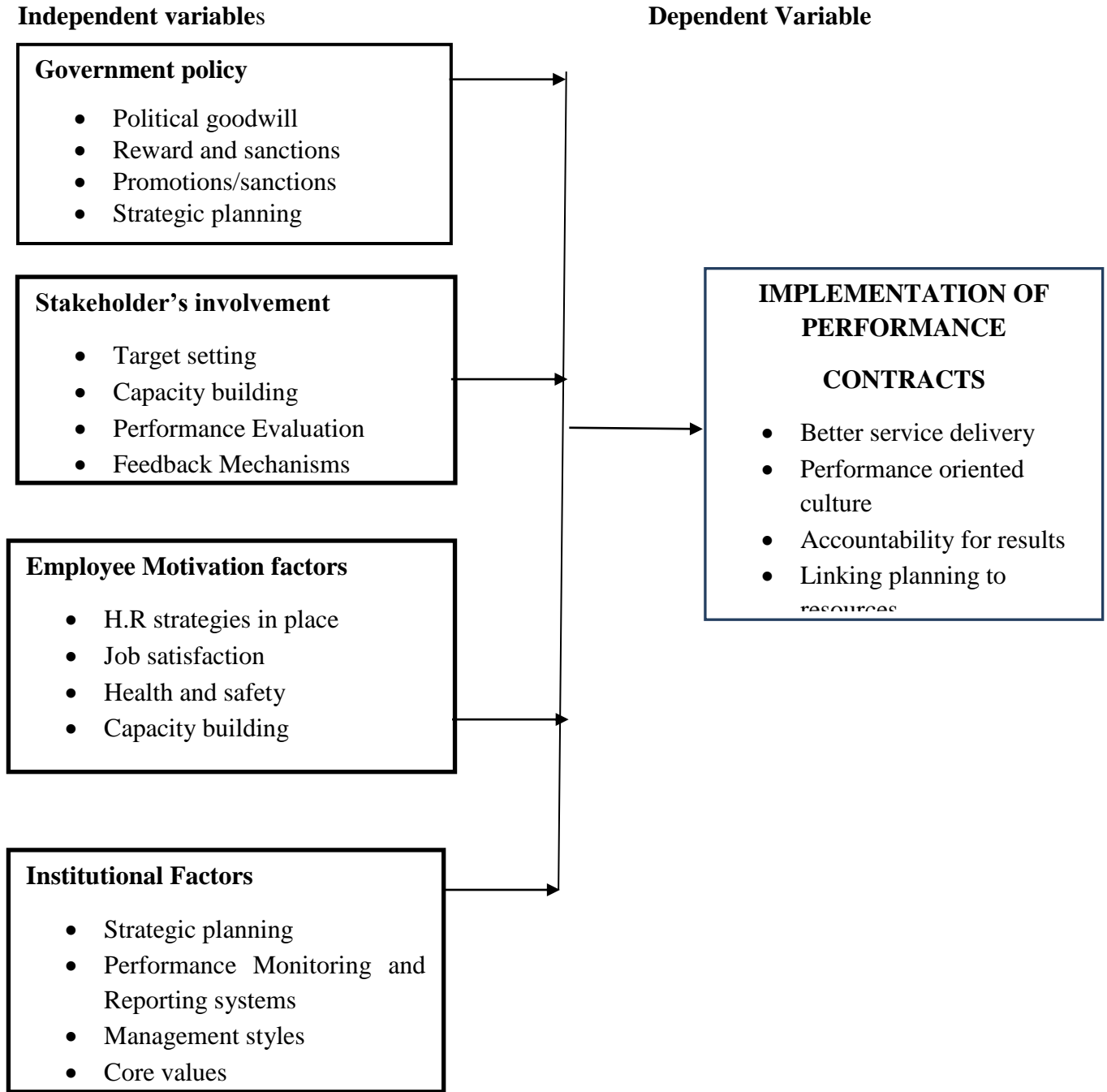
Description of the Conceptual Framework

1. Government Policies – Derived from Principal–Agent Theory, effective policy design, clarity of roles, and adequate resource allocation enhance accountability and create enabling conditions for P.C. implementation.
2. Stakeholder Involvement – Grounded in both the Principal–Agent and Goal-Setting theories, participatory planning, transparent communication, and feedback mechanisms build ownership and reduce resistance to change.
3. Employee Motivation – Supported by Herzberg's Two-Factor Theory, both intrinsic (recognition, growth, achievement) and extrinsic (salary, work conditions) motivators influence performance and commitment to P.C. goals.
4. Institutional Factors – Informed by Goal-Setting Theory, strong strategic planning, monitoring, and evaluation systems facilitate goal alignment, efficiency, and consistent feedback that improve performance.

5. Implementation of Performance Contracting (Dependent Variable) – This refers to the extent to which public health officers meet agreed-upon targets, exhibit accountability, and deliver measurable service outcomes

FIGURE 2:1

Conceptual Framework



3 CHAPTER THREE -METHODOLOGY

3.1 Introduction

This study was designed to look at four key factors affecting the implementation of performance contracting amongst PHOs/PHTs working in Nyeri County. This chapter discusses methods that were applied in the study (methods and data collection), the study area, study population, the data collection methods, data analysis, and the procedures that were followed in the study, inclusive of the ethical considerations observed in the study.

3.2 Research Philosophy

Research philosophy refers to the set of beliefs and assumptions about how knowledge is generated, validated, and applied within a study. It encompasses ontological, epistemological, and axiological considerations that define how researchers perceive reality, the nature of knowledge, and the role of values in research (Saunders et al., 2019). Understanding and explicitly articulating a research philosophy is critical because it guides the choice of research design, data collection methods, and analytical techniques.

The present study sought to investigate factors influencing the implementation of performance contracting among Public Health Officers (PHOs) and Public Health Technicians (PHTs) in Nyeri County. Specifically, it examined how government policy, stakeholder involvement, human resource strategies, and institutional factors affect performance contracting outcomes within a devolved governance system. Given the study's emphasis on measurable relationships between variables, the **positivist philosophy**, complemented by **pragmatic reasoning**, was deemed most appropriate.

3.2.1 Positivist Philosophy

The **positivist paradigm** is grounded in the belief that reality is objective, observable, and independent of the researcher. It assumes that phenomena can be quantified and analyzed using statistical and logical reasoning to uncover generalizable patterns (Creswell & Creswell, 2023).

In this study, the implementation of performance contracting was conceptualized as an observable and measurable construction that could be explained through empirical analysis of its determinants: policy, human resources, institutional capacity, and stakeholder engagement.

Under positivism, knowledge is derived from systematic observation and measurement, relying on structured instruments such as questionnaires to generate quantifiable data. This philosophical orientation aligns with the descriptive cross-sectional design adopted in this research, where numerical data were collected from PHOs and PHTs using a standardized Likert-scale questionnaire. The data were then analyzed statistically through descriptive and inferential methods, including correlation and regression analysis, to test relationships among variables.

Furthermore, positivism emphasizes value-neutrality, meaning that the researcher maintains objectivity by minimizing personal bias in data collection and interpretation. This principle informed the use of self-administered questionnaires and probability sampling techniques, which ensured representativeness and reduced researcher influence. The reliance on empirical data enabled the researcher to draw conclusions based on evidence rather than subjective interpretation, thereby enhancing the reliability and validity of the findings.

3.2.2 Pragmatic Considerations

While positivism provided the main philosophical foundation, the study also adopted elements of pragmatism to complement its applied nature. Pragmatism recognizes that knowledge is best understood in terms of its practical consequences and usefulness in solving real-world problems (Morgan, 2022). This philosophy is particularly relevant to policy-oriented research such as this, where the aim is not only to test hypotheses but also to generate actionable recommendations for improving public sector performance.

Pragmatism allowed the researcher to combine empirical rigor with contextual sensitivity by interpreting statistical findings within the realities of Kenya's devolved health governance system. It guided the study's focus on practical implications such as how county governments can strengthen HR practices, policy implementation, and institutional systems to enhance accountability and service delivery. The pragmatic lens thus ensured that the study's conclusions were not only statistically valid but also operationally relevant for decision-makers.

3.2.3 Implications of the Research Philosophy

The chosen philosophical stance had direct implications for the research strategy, data collection, and analysis. The positivist approach justified the use of a quantitative research design, emphasizing measurement, objectivity, and generalization. This influenced the development of the questionnaire, which contained standardized items derived from validated instruments in prior studies, enabling consistent and comparable responses.

Additionally, the positivist stance guided the use of **SPSS version 24.0** for data analysis, where descriptive statistics (means, frequencies, standard deviations) were used to summarize data, and inferential tests (Spearman's correlation, regression, and ANOVA) were applied to examine

relationships and test hypotheses. The results were interpreted based on statistical significance (p-values) rather than subjective impressions, aligning with positivist principles of empirical validation.

Meanwhile, the pragmatic orientation ensured that the interpretation of findings extended beyond numerical significance to address practical realities faced by health managers in Nyeri County. This dual approach bridged the gap between theoretical analysis and applied policy relevance consistent with contemporary expectations in public administration research, where evidence must inform practice (Bryman, 2021).

3.2.4 Summary

In summary, this study was grounded primarily in the positivist research philosophy, which views social phenomena as measurable and predictable through empirical observation and statistical analysis. Elements of pragmatism were integrated to enhance the study's applied relevance and ensure that results could inform real-world policy and management decisions. Together, these philosophical orientations ensured that the research was both methodologically rigorous and practically useful, producing credible evidence to inform strategies for optimizing performance contracting within Kenya's devolved public health sector.

3.3 Research Design

The study adopted a descriptive cross-sectional design to investigate factors influencing the implementation of performance contracting among Public Health Officers (PHOs) in Nyeri County. This design was appropriate because it enabled the researcher to collect and analyze data from the target population at one point in time without manipulating variables (Saunders et al., 2023). The approach provided a factual description of existing conditions, relationships, and

perceptions regarding government policy, stakeholder involvement, human resource strategies, and institutional factors influencing performance contracting implementation.

Descriptive designs are widely used in public sector and health systems research because they allow for inferences about associations between variables in natural settings (Abuya et al., 2023). This was particularly relevant for this study, which sought to establish real-world factors affecting PHO performance within an operational county government context.

3.4 Location of the Study

The study was conducted in Nyeri County, located in Kenya's Central Region. Nyeri was purposively selected due to its persistent health performance challenges despite robust policy and strategic frameworks. According to the Nyeri County Health Strategic and Investment Plan (CHS&IP) 2023–2027, the Public Health Department missed several financial and operational targets and reported underperformance among PHOs. The county also records one of the highest hospital re-attendance rates and burdens of non-communicable diseases nationally (Nyeri County Government, 2023). These contextual realities make Nyeri a representative case for assessing how performance contracting can improve accountability and preventive health outcomes in devolved systems

3.4.1 Justification for Selection of Nyeri County

Nyeri County was purposively selected because it reflects key performance management challenges within Kenya's devolved health system. The County Health Strategic and Investment Plan (CHS&IP, 2023–2027) reported that the Public Health Department repeatedly missed major operational and financial targets, partly due to unclear performance management frameworks. The county also records high re-attendance rates and a significant burden of preventable and

non-communicable diseases, signaling weak preventive health outcomes (Nyeri County Government, 2023).

Given that Public Health Officers (PHOs) and Public Health Technicians (PHTs) play a central role in disease prevention and health promotion, Nyeri offers a suitable case for examining how policy, human resource strategies, stakeholder involvement, and institutional factors affect the implementation of performance contracting. The county's devolved context and moderate institutional capacity further make it a representative setting for understanding PC implementation challenges across Kenyan counties (Abuya et al., 2023; KSG, 2023).

3.5 Target Population

The target population comprised all 112 Public Health Officers (PHOs) and Public Health Technicians (PHTs) working under the County Government of Nyeri as of 2025. These cadres were purposively selected from among the seventeen health workforce categories because of their pivotal role in disease prevention, health promotion, and environmental health management, which directly link to the objectives of performance contracting. The unit of analysis was the individual PHO or PHT on active duty during the study period.

Respondents were drawn from various levels of management, including field officers, program officers, sub-county health officers, and county-level managers, to ensure a comprehensive representation of operational, supervisory, and strategic perspectives. This diversity provided a nuanced understanding of how performance contracting is implemented across management tiers and service levels within the county health system (Abuya et al., 2023).

3.5.1 Sampling Technique and Sample Size

Sample Size Determination

The sample size refers to the number of individuals selected from a population to represent it in a study (Saunders et al., 2023). To determine an adequate and statistically valid sample, the study applied Fisher's formula (1998), which is widely used for estimating sample sizes in social and health sciences. The formula is expressed as:

$$n = \frac{Z^2 \times p \times (1 - p)}{d^2}$$

Where:

- n = desired sample size
- Z = standard normal deviate corresponding to the 95% confidence level (1.96)
- p = estimated population proportion with the desired characteristics (0.5 used to maximize variability)
- d = margin of error (0.05)

Substituting the parameters:

$$n = \frac{1.96^2 \times 0.5(1 - 0.5)}{0.05^2} = 384$$

Since the total population (N) was less than 10,000 ($N = 112$), the finite population correction (FPC) was applied to adjust the sample size as follows:

$$n_f = \frac{n}{1 + (n - 1)/N}$$

$$n_f = \frac{384}{1 + (384 - 1)/112} \approx 86$$

To account for possible non-response, a 5% contingency was added:

$$n_f = 86 + (0.05 \times 86) = 89$$

Therefore, the final working sample size was 89 respondents. This number ensured adequate representation while maintaining statistical precision (Creswell & Creswell, 2023).

3.5.2 Sampling Technique

A probability proportionate-to-size (PPS) sampling method was employed to ensure equitable representation of PHOs and PHTs across all sub-counties. Nyeri County is administratively divided into eight sub-counties, each forming a stratum in the sampling framework.

The sampling followed these stages:

1. Each sub-county's total number of PHOs/PHTs was obtained from the County Human Resource Registry (2023).
2. The study applied proportional allocation to determine the number of respondents from each sub-county using the formula:

$$n_i = \frac{N_i}{N} \times n$$

Where:

- n_i = number of respondents selected from each sub-county
- N_i = number of PHOs/PHTs in each sub-county

- N = total PHO/PHT population (112)
 - n = total sample size (89)
3. Within each sub-county, simple random sampling was used to select specific respondents. Each eligible officer was assigned a unique identification code. The codes were written on identical slips, folded, and randomly drawn to ensure impartial selection. Selected officers were then contacted via phone to schedule interviews.

This approach minimized selection bias and guaranteed representativeness across all operational strata (Saunders et al., 2023).

3.5.3 Sample Size Distribution

The probability-proportionate-to-size allocation yielded the sample distribution shown in Table 3.1. The Hamilton (largest remainder) method was applied to allocate remaining slots while maintaining proportionality to the total PHO/PHT population.

Table 3.1:

Sample Size Distribution by Sub-County

Sub-county	PHOs/PHTs (N_i)	Exact allocation ($N_i/N \times 89$)	Floor	Remainder	Final sample
Kieni West	12	9.54	9	0.54	10
Kieni East	15	11.92	11	0.92	12
Mathira West	11	8.74	8	0.74	9
Mathira East	14	11.13	11	0.13	11
Tetu	12	9.54	9	0.54	9
Nyeri South	17	13.51	13	0.51	13
Nyeri Central	20	15.89	15	0.89	16
Mukurweini	11	8.74	8	0.74	9

Total	112	—	84	—	89
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Source: Primary data

3.6 Construction of Research Instrument

A structured questionnaire containing both open-ended and closed-ended items was used as the primary data collection instrument in this study. The questionnaire was organized into sections corresponding to the study’s four specific objectives—government policy, stakeholder involvement, human resource strategies, and institutional factors influencing performance contracting. Respondents indicated their level of agreement on a five-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5), which allowed for standardized responses suitable for quantitative analysis. According to Kothari (2004), self-administered questionnaires enhance privacy, minimize interviewer bias, and encourage more candid and accurate responses.

The development of the questionnaire followed a systematic, multi-stage process. First, an initial pool of items was generated from a comprehensive review of contemporary literature (2020–2024) and theoretical constructs underpinning the study—namely Principal–Agent Theory, Goal-Setting Theory, and Herzberg’s Motivation–Hygiene Theory. These theories guided the conceptual framing of items related to accountability mechanisms, goal clarity, and motivational drivers of performance contracting among Public Health Officers (PHOs).

Second, several questionnaire items were adapted from validated instruments used in previous peer-reviewed studies. Specifically:

- Items measuring strategic planning and institutional alignment were adapted from Kabeyi (2019);
- Items assessing performance contracting efficiency and policy implementation were

drawn from Ong'era and Musili (2019);

- Items relating to human resource management and motivation were derived from Anwar and Abdullah (2021);
- A few additional items focusing on stakeholder involvement and devolved governance were self-developed by the researcher to reflect contextual dynamics specific to Kenya's county health system.

Third, to ensure content and construct validity, the draft questionnaire underwent expert validation by the research supervisors and two independent reviewers with expertise in public health systems management and research methodology. The reviewers evaluated the instrument for clarity, logical flow, relevance to the study objectives, and appropriateness of wording. Based on their feedback, several items were rephrased for precision, redundant questions were removed, and the sequencing of items was refined to improve respondent comprehension and response accuracy.

Finally, the instrument was pilot-tested among a sample of Public Health Officers outside Nyeri County to evaluate its reliability, clarity, and internal consistency. The pilot results yielded a Cronbach's alpha coefficient of 0.78, exceeding the 0.7 threshold recommended for social science research, thereby confirming that the instrument was both reliable and valid for use in the main study.

3.6.1 Pre-Test Study

Before administering the questionnaire to the real study participants, the questionnaire was administered to 14 participants, equivalent to 10 % of the study population. These participants were conveniently selected from a neighboring Kirinyaga. The objective of the pretest was to

ascertain the reliability of the research questionnaire, including the wording, structuring, and sequencing of the statements. Any discrepancy or inconsistency noted was refined so that the final questionnaire enabled the actual study respondents to provide accurate answers. Luckily, the pretest results didn't show any inconsistency, and so the tool was administered as originally designed to the real study respondents

Validity and Reliability

Validity

Validity refers to how accurately a study tool picks the item of interest. This was ensured by presenting the questionnaire to at least one professional person, including the researcher's supervisors. Amin (2009) suggests that content and construct validity can be determined by an expert judgment.

Reliability

Reliability of a data collection tool can be defined as the degree to which the tool is able to consistently measure the item of interest. This implies that if the tools are reliable, they should give similar results if administered by a different person. One sure way of obtaining a coefficient is the use of the internal consistency method. (Mbwesa,2006). A reliability coefficient was computed using Cronbach's alpha (Mugenda & Mugenda, 2003). The formula concludes that when one gets a coefficient of 0.7 or more, there is a high degree of data reliability (Mbwesa, 2006). Cronbach's alpha coefficient was therefore applied in this research to ensure reliability and internal consistency of the data collection instrument.

Table 3.2:

Cronbach's alpha Aggregate Score

Cronbach's alpha	Number of items
0.861	7

For each of the four variables, the Cronbach's Alpha were as follows

Table 3.3:

Reliability Statistics: Variable

Variable	Cronbach's Alpha score	Number of items
Influence of government policies	0.861	10
Influence of stakeholders' involvement	0.923	9
Influence of employee motivation	0.913	18
Influence of institutional factors	0.732	14

Source: primary data.

: primary data.

The study utilized Cronbach's alpha to evaluate reliability. The alpha (α) coefficient varies from zero to one. All the scores were above 0.7, indicating that the tool was consistent and dependable. A score of 0.7 or higher indicates a higher level of reliability, which is considered acceptable (Sniukas & Sniukas, 2020).

3.7 Data Collection Technique

This study made use of a self-administered questionnaire to collect primary data. The questionnaire was designed with structured questions and responses arranged on a Likert scale.

Kothari (2004) asserts that a self-administered questionnaire affords a high degree of privacy of response and therefore records a high response rate.

3.8 Operationalization of Variables

To ensure clarity and precision in measuring study variables, each variable was broken down into measurable indicators. The table below outlines how the variables were operationalized, including the type of data collected, the tools used for data collection, and the methods applied for data analysis.

3.8.1 Variables

Independent Variables

The researcher was mainly interested in studying the influence of government policies, employee motivations, stakeholders' involvement and institutional factors on performance contracting, among Public Health Officers working in Nyeri County. The indicators of these variables were also investigated.

Dependent Variable

The dependent variable for this study was the implementation of performance contracts among PHOs working in Nyeri County.

Table 3.4:

Operationalization of Variables

Variable	Indicators	Type of Data	Data Collection Tool	Method of Analysis
Governance	- Responsiveness of leadership - Shared vision - Accountability	Quantitative	Structured Questionnaire	Descriptive statistics, Regression
Health Workforce	- Staff training frequency - Support supervision - Motivation/incentives	Quantitative	Structured Questionnaire	Descriptive statistics, Regression

3.9 Data Analysis and Presentation

A rigorous and systematic data analysis procedure was followed. After data collection, the dataset was cleaned to identify and correct any inconsistencies, missing values, or entry errors. Non-conforming responses were removed to maintain data integrity. The cleaned data were then coded and entered into the Statistical Package for the Social Sciences (SPSS) version 24.0 for analysis. Data were classified with common characteristics and organized into statistical tables to detect potential omissions or anomalies.

Before proceeding with inferential analysis, the Shapiro Wilk test was conducted to assess the normality of the data distribution. The results indicated that the data did not meet the normality assumption ($p < 0.05$); therefore, non-parametric statistical techniques were applied. Descriptive statistics, including means, frequencies, standard deviations, and percentages, were computed to summarize the data.

Given that the study employed Likert-type scales (ranging from 1 to 5), the data were treated as ordinal, consistent with methodological recommendations that ordinal data do not satisfy interval-level assumptions required for parametric testing (Carifio & Perla, 2020). Consequently, Spearman's rank-order correlation was used to determine the strength and direction of associations between variables, while the Kruskal Wallis test was applied to compare differences across multiple groups.

To interpret the descriptive mean scores, the following scale was adopted:

1.00–2.49 = Disagree

2.50–3.49 = Neutral

3.50–5.00 = Agree

This interpretation framework aligns with established practices in social science research (Taherdoost, 2022).

All analyses were reviewed and verified in consultation with a qualified statistician to ensure accuracy and reliability. The findings were presented in the form of tables, figures, and narrative summaries to facilitate interpretation and linkage to the study objectives

3.9.1 Data Presentation

The analyzed data were systematically presented using tables, figures, and narrative explanations to enhance clarity and comprehension. Quantitative results generated through SPSS version 24.0 were summarized using frequencies, percentages, means, and standard deviations for descriptive statistics, and Spearman's correlation coefficients and Kruskal Wallis test results for inferential analysis. Tables and charts were used to highlight patterns, variations, and relationships among key variables.

Each table and figure were accompanied by a concise narrative interpretation to explain the findings in relation to the study objectives and relevant empirical literature. The results were organized according to the specific research objectives to maintain coherence and ensure logical progression from data to discussion.

Where necessary, qualitative comments provided by respondents in open-ended sections of the questionnaire were summarized thematically to complement quantitative results. The integration of both descriptive and inferential outputs provided a comprehensive understanding of the factors influencing performance contracting among Public Health Officers in Nyeri County.

This structured approach to data presentation ensured that the findings were not only statistically sound but also meaningfully aligned with the study's conceptual framework and research questions.

3.10 Ethical Considerations

The researcher conducted the study in full compliance with established ethical standards for human subject research. Prior to data collection, ethical clearance was obtained from the Student Ethical Research Committee of Kenya Methodist University (SERC–KeMU). A research permit was subsequently issued by the National Commission for Science, Technology and Innovation (NACOSTI), and administrative approval was granted by the Nyeri County Government, Department of Health to allow access to participants and health facilities.

All respondents were fully informed about the study's purpose, procedures, and their rights before participation. Informed consent was obtained from each participant prior to data collection. Participation was voluntary, and respondents were assured of their right to withdraw or decline participation at any stage without penalty or negative consequences.

To ensure confidentiality and anonymity, questionnaires did not include names or any identifying personal information. Each response was assigned a unique code number, and data were securely stored in password-protected digital folders and locked physical files accessible only to the researcher. Information collected was used solely for academic purposes, and findings were reported in aggregate form to prevent individual identification.

The researcher adhered to all ethical and legal research requirements and worked within the approved resource and time constraints. Logistical facilitation for participants was provided where necessary to minimize disruption to official duties. Upon completion, the findings were

disseminated to the Nyeri County Department of Health and Kenya Methodist University for institutional learning and future policy improvement.

4 CHAPTER FOUR: RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the results, data analysis, and interpretation of findings on factors influencing the implementation of performance contracting among Public Health Officers (PHOs) and Public Health Technicians (PHTs) working under the County Government of Nyeri. Data were analyzed using SPSS version 24.0 through both descriptive and inferential statistics.

The chapter is organized according to the study objectives, which focus on examining the influence of government policy, stakeholder involvement, human resource strategies, and institutional factors on performance contracting. Both descriptive and inferential statistics were applied to determine relationships between variables. The analysis was guided by Principal-Agent Theory, Goal-Setting Theory, and Herzberg's Motivation-Hygiene Theory, which together explain how policy clarity, goal alignment, and motivation shape implementation outcomes in public sector settings.

Before data interpretation, an assessment of normality using the Shapiro-Wilk test confirmed that the data were not normally distributed ($p < 0.05$). Therefore, non-parametric tests, including Spearman's rank correlation and the Kruskal-Wallis test, were used for inferential analysis. Since the Likert-scale responses represented ordinal data, they were interpreted using the key shown in Table 4.1

Table 4.1:

Interpretation of Mean Scores

Mean Range	Interpretation
1.00 – 2.49	Disagree
2.50 – 3.49	Neutral
3.50 – 5.00	Agree

4.2 Data Presentation, Analysis, and Interpretation

The first section presents the demographic characteristics of the study respondents; section two indicates the descriptive statistics of the variables under inquiry, while section three details the regression and correlation analysis illustrating the relationships between the variables.

4.2.1 Response Rate

The target audience for this study consisted of the public health officers and public health technicians working in Nyeri County. A self-administered questionnaire was distributed to a sample size of 89 respondents. As shown in Table 4.2 below

Table 4.2:

Response Rate

Size	Frequency	Percentage
Distributed questionnaire	89	100
Returned questionnaire	84	94
Not returned questionnaire	5	6
Usable questionnaire	84	94

Source: Field Data (2025)

A total of 89 questionnaires were issued, while 84 of them were filled out and returned by the respondents. This represented a response rate of 94%. According to Dixon (2012), a response rate above 50% is satisfactory, while one above 70% is very good. A response rate of 94% is therefore regarded as excellent for data processing, interpretation, and concluding the study.

4.2.2 Demographic Characteristics

The demographic characteristics of the respondents were significant in order to understand the composition of the respondents as well as the features used to inform data analysis and interpretation. This section provides the age bracket of the respondents, gender, sub-county where the respondents operate from, position held, education level, and how long the respondents have worked.

Age of the Respondents

The study sought to establish the age bracket of the respondents. The age was categorized into 4 groups as presented in Table 4.3 below.

Table 4.3:

Age Bracket

Age bracket	Frequency	Percent
20-29 years	2	2.4
30-39 years	18	21.4
40- 49 years	19	22.6
50-59 years	45	53.6
Total	84	100

From table 4.2 above, the following can be deduced: the majority, 45(53.6%) of the total respondents were aged between 50-59 years, while 2(2.4%) were aged between 20- 29 years. Another 18(21.4%) were aged 30-39 years. 19(22.6%) were aged between 40 and 49 years. This implies that most respondents were experienced with factors that may influence performance contracts.

Gender

The study sought to find out the gender of the study participants. The findings are presented in Table 4.4 below.

Table 4.4:

Gender Distribution

Gender	Frequency	Percent
Male	50	59.5
Female	34	40.5

Total	84	100
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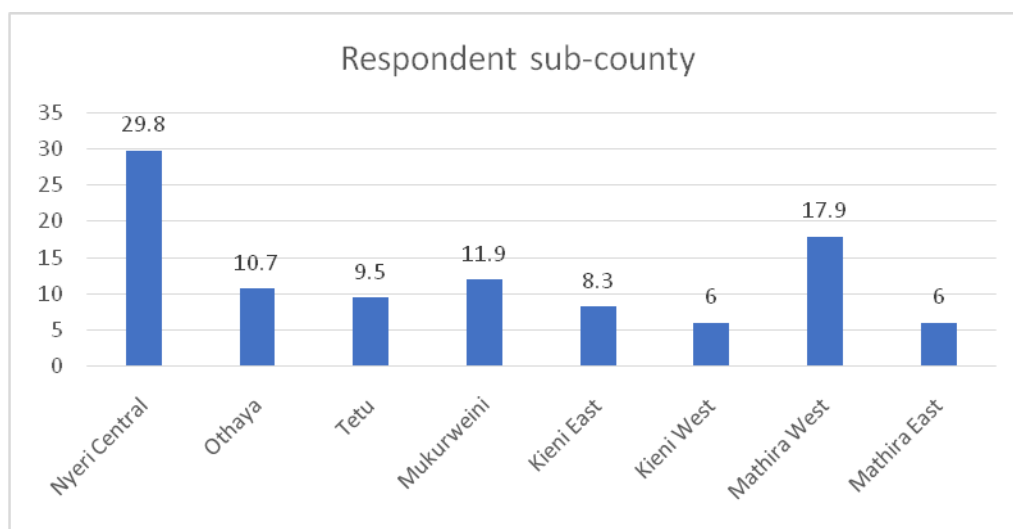
As shown in Table 4.4 above, the male respondents were 50(59.5%) of the total respondents, while the female respondents accounted for 34(40.5%) of the total respondents. This reveals that the male respondents were the majority, implying that PHOs in Nyeri county are dominated by male workers.

Sub-County of Deployment

FIGURE 4:1

Sub-County of Deployment

shows the subcounty where the respondents come from



From Figure 4.1 above, 29.8% of the respondents were from Nyeri Central, while 10.7% were from Nyeri South Sub-County. Another 9.5% were from Tetu subcounty, while 11.9% were from Mukurweini Sub-County. 8.3% were from Kieni East, while 6% were from Kieni West Sub-County. Moreover, 17.9% of the total respondents were from Mathira West Sub-County, while 6% were from Mathira East Sub-County.

Position Held in Office

The respondents were asked to indicate the position they held. Table 4.5 presents the findings.

Table 4.5:

Distribution of respondents by Position held in office

Position held	Frequency	Percent
County program officer	2	2.4
Sub-county public health officer	8	9.5
Sub-county program officer	16	19
Deputy sub-county officer	6	7.1
Pho is in charge of the ward	22	26.2
Field officer	30	35.7
Total	84	100

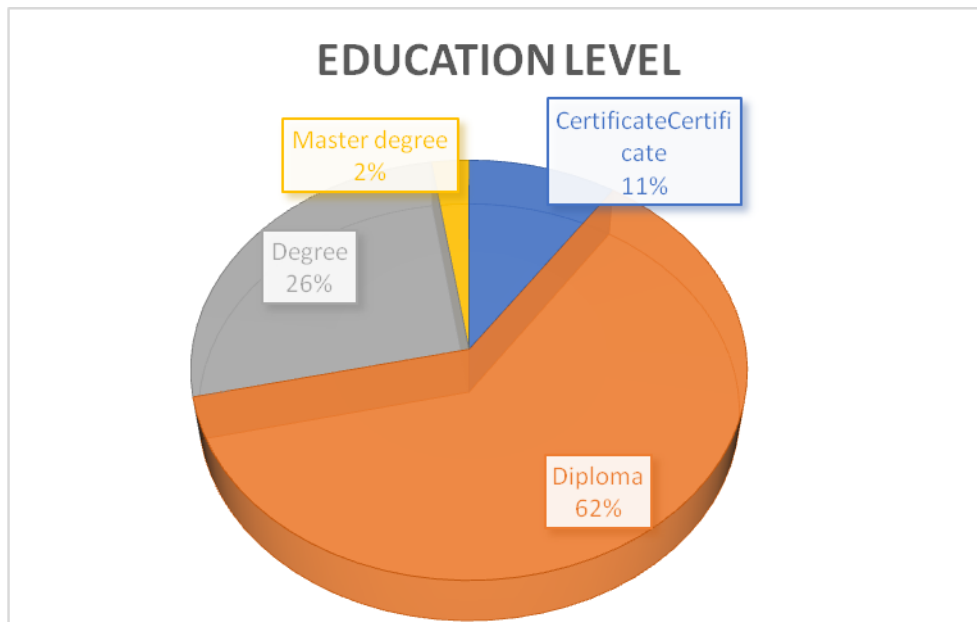
The findings indicate that 2(2.4%) indicated that they worked as County program officer, while 8(9.5%) worked as Sub-County public health officers. Another 16(19%) worked as Sub-County program officer, while 6(7.1%) indicated that they worked as Deputy sub-county officer. 22(26.2%) and 30(35.7%) worked as PHO in charge of the ward and Field officer, respectively.

Education Level

Respondents level of the respondents was considered a key factor in this study because it shows how competent the PHOs workers are conversant with the factors influencing performance contracts and how they can improve performance contracting in Nyeri County. Figure 4.2 below shows respondents' level of education

FIGURE 4:2

Level of education



The results indicate that the majority, 62% of the study respondents, had acquired a diploma, while 26% highest level of education was a degree. 11% had attained a certificate, while a marginal 2% had a master's degree as their highest level of education. Education may be a key determinant of how well the officers were able to know about the factors that influence performance contracts.

Years in Service

Working period was important in this study in order to establish how well the respondents understood the implementation of factors influencing the performance contract. Table 4.6 shows the results.

Table 4.6:*Distribution of respondents by years in service*

Year in Service	Frequency	Percent
Less than 10 years	9	10.7
11-15 years	20	23.8
16-20 years	1	1.2
21-25 years	12	14.3
Above 25 years	42	50
Total	84	100

The findings show 9(10.7%) had worked for less than 10 years, 20(23.8%) had worked between 11 years and 15 years. 1(1.2%) and 12(14.3%) had worked between 16-20 years and between 21-25 years, respectively. Half of the respondents, 42(50%), had worked for 25 years or above. This implies that most respondents were knowledgeable about performance contracts.

4.3 Descriptive Statistics

The mean scores (M) and standard deviations (SD) for all the measurement items related to county Government policy, Stakeholder involvement, Motivation factors, and Performance contracts were computed and analysed. The purpose of the descriptive statistics was to estimate the extent to which the factors influence performance implementation among Public Health Officers working in Nyeri County. The results are displayed in the sections below.

4.3.1 Government Policy

Objective number one of this study was to investigate how government policy influences the implementation of performance contracts among PHOs working in Nyeri County. Respondents were provided with several statements, and based on their understanding of how government policy influences implementation of performance contracts among PHOs working in Nyeri County, they were to indicate their understanding on a five-point Likert scale (1 = strongly disagree, 2=Disagree, 3= Neutral, 4 = Agree, and 5= Strongly agree) which was provided for every statement. Mean (M) and standard deviation (SD) were used to analyse the responses, and the findings are presented in Table 4.7

Table 4.7:

Government policy

Statement	N	Minimum	Maximum	Mean	Std. Deviation
I am aware that there is a performance policy in Nyeri County	84	1	5	3.74	1.389
The policy guidelines are well articulated to guide implementation	84	1	5	3.29	1.136
The policy document is well circulated to all officers for reference	84	1	5	1.74	1.345
The performance contract is in line with the policy strategic areas	84	1	5	3.33	1.165

There is political goodwill to support the performance contract process	84	1	5	1.93	1.36
There are no political interferences in the discharge of my duties	84	1	5	2.36	1.305
The performance contract has helped me to be more efficient and effective in my duties	84	1	5	3.31	1.182
My previous promotions and or sanctions were linked to the performance contract achievement	84	1	5	1.75	1.343
Performance contracts should be linked with rewards or sanctions	84	1	6	3.94	1.516
The county has an established reward strategy and rewards top performers	84	1	4	1.86	1.008

The findings reveal that most respondents strongly agreed that there is a performance policy in Nyeri County (M=3.74, SD=1.389). Further, the study revealed that the policy guidelines are well articulated to guide implementation (M=3.29, SD=1.136), while most respondents strongly disagreed that the policy document is well circulated to all officers for reference, mean =1.74, SD=1.345. The performance contract, being in line with the policy strategic areas, had most respondents agreeing to it as it had a high mean of 3.33 and SD=1.165. The respondent also strongly disagreed that there is political goodwill to support the performance contract process (M=1.93, SD=1.36). On the other hand, the respondents agreed that there were political interferences in the discharge of my duties (M=2.36, SD=1.305). The performance contract helping PHOs to be more efficient and effective in my duties had a high level of agreement, as indicating the highest mean of 3.31, and SD=1.182. The findings also revealed that previous

promotions and or sanctions were not linked to the performance contract achievement, as most respondents strongly disagreed ($M=1.75$, $SD=1.343$). Further, the finding also revealed that the performance contracts should be linked with reward or sanctions ($M=3.94$, $SD=1.516$). Lastly, most respondents disagreed that the county has established a reward strategy and rewards top performers ($M=1.86$, $SD=1.008$). These findings are consistent with the literature by Thorpe et al. (2024) and Hill & Hupe (2021), who noted that well-established government policies create frameworks that guide performance management practices.

The study established that clear policies provide direction on target setting, monitoring, and evaluation, aligning with findings by Ndung'u (2009) and Gatere et al. (2013). Similarly, the findings also indicated that there was poor dissemination of policies, inadequate resources, and weak follow-up mechanisms that hindered effective implementation. This agrees with Hill and Hupe (2021), who identified resource gaps and poor communication as common barriers to policy implementation.

Political goodwill was identified as a key factor influencing performance contracting, consistent with Head (2022), who emphasized the role of political support in resource allocation and policy enforcement. However, interference for political gain was seen as a barrier.

Finally, the findings established that rewards and sanctions are not usually tied to performance achievement. Hudson et al. (2019) and Lavanya & Khizerulla (2024) assert that performance-based incentives can be linked to improved service delivery.

The study sought to determine the extent to which government policies influence the implementation of performance contracting among PHOs and PHTs in Nyeri County. The overall mean score for policy-related items was 3.42 ($SD = 0.79$), indicating a neutral perception among

respondents regarding the adequacy and clarity of government policies governing performance contracting.

The neutrality suggests that while performance contracting guidelines exist at the national and county levels, their dissemination and contextualization remain inconsistent. Respondents noted that policies are often centrally developed and inadequately aligned with county-level operational realities. This finding supports Thorpe et al. (2024), who observed that policy transfer in devolved systems frequently faces translation gaps between formulation and execution.

From a **Principal–Agent Theory** perspective, the observed neutrality reflects information asymmetry between policymakers (principals) and implementers (agents), where limited communication and supervision weaken accountability relationships. Similarly, Owuor and Muli (2023) found that unclear policy directives and irregular feedback mechanisms reduce frontline engagement in performance management.

These results imply that strengthening policy communication, contextual adaptation, and feedback channels could enhance the effective implementation of performance contracting among PHOs in Nyeri County

4.3.2 Stakeholders' Involvement in Target Setting

Objective number two of the study was to find out the influence of stakeholders' involvement in the implementation of performance contracts among PHOs working in Nyeri County. The study posed 9 statements where the respondents were to use a 5-point Likert scale to indicate their agreement or disagreement on how stakeholders' involvement influenced the implementation of performance contracts. Table 4.8 shows the results.

Table 4.8*Stakeholders' involvement*

Statement	N	Minimum	Maximum	Mean	Std. Deviation
I am usually involved in the formulation of performance targets	84	1	5	2.77	1.451
It was important to involve me in the targeting and negotiating of the performance targets	84	1	5	4.13	1.084
Targets were clearly explained, detailing my roles and responsibilities	84	1	5	3.24	1.341
I get monthly feedback on my performance cum shortcomings	84	1	4	1.05	1.04
I get quarterly feedback on my achievements cum shortcomings	84	1	5	2.33	1.235
We regularly discuss my progress of achievements with my supervisor	84	1	5	3.05	1.325
I was clearly informed how I will be evaluated	84	1	5	2.95	1.27
Evaluations are made in a participatory manner (Supervisor & I)	84	1	5	3.12	1.226
Final appraisal of performance is usually done in an objective way (No bias)	84	1	5	3.42	1.244

From Table 4.8 above, the findings revealed that respondents agreed that they are usually involved in the formulation of performance targets ($M=2.77$, $SD=1.451$). Most respondents agreed that it was important to be involved in targeting and negotiating the performance targets. This was evident as the result indicated the highest mean of 4.13 and SD of 1.084. Further, the respondents agreed that the targets were clearly explained, detailing their roles and responsibilities ($M=3.24$, $SD=1.341$). The respondent disagreed that they do get monthly

feedback on their performance cum shortcomings (M=2.05, SD=1.04). A good proportion of the respondents agreed that they get quarterly feedback on their achievements cum shortcomings (M=2.33, SD=1.235). There was a high level of agreement that respondents regularly discuss their progress of achievement with their supervisor (M=3.05, SD=1.325). Further, the respondents agreed that they were clearly informed how they would be evaluated (M=2.95, SD=1.27). More so, the respondents agreed that evaluations are made in a participatory manner (Supervisor & I) (M=3.12, SD=1.226), while they still agreed that the final appraisal of performance is usually done in an objective way (No bias) (M=3.42, SD=1.244).

These findings agree with Armstrong (2012) and Grafström and Aasma (2021), who argue that involving stakeholders in target setting enhances ownership, accountability, and commitment.

The results further indicated that when PHOs are involved in formulating performance targets, they demonstrate higher motivation and commitment towards achieving them. This supports Latham (2023) and Zandi et al. (2024), who emphasized the importance of participatory approaches in performance management to eliminate ambiguity and encourage creativity.

However, the study noted gaps in feedback mechanisms and inadequate involvement of staff in decision-making, supporting Brown et al. (2019) and Wei (2021), who highlighted the importance of continuous feedback and adjustments in performance processes.

The mean score for stakeholder participation in target setting, monitoring, and evaluation was 3.68 (SD = 0.74), suggesting that respondents agreed stakeholder involvement moderately influences performance contracting implementation. Respondents reported that participatory target setting improves ownership, although its application varies by sub-county. This finding

aligns with Latham (2023) and Brown et al. (2021), who emphasized that participatory goal-setting strengthens motivation and goal commitment. In the context of Goal-Setting Theory, involving PHOs in determining targets and feedback mechanisms fosters intrinsic motivation and enhances their sense of accountability.

However, the variability across sub-counties supports Kibet and Wanjiru (2022), who found that limited inclusion of frontline health staff in county planning processes weakens performance outcomes. Overall, the data suggest that while Nyeri County has made progress in stakeholder engagement, structured and inclusive participation mechanisms are still needed to improve consistency and commitment to performance targets.

4.3.3 Employee's Motivation

Objective number three of this study was to determine the influence of employees' motivation regarding the implementation of performance contracting among PHOs working in Nyeri County. 17 statements were used to assess this objective. The findings are presented in Table 4.9 below.

Table 4.9:*Employee's motivation*

Statement	N	Minimum	Maximum	Mean	Std. Deviation
My office has been provided with a copy of the most recent Nyeri County Human Resource strategic plan (2024-2029)	84	1	4	1	1.041
There is a clear human resource strategy detailing my terms of service and engagement	84	1	5	3.25	1.241
There are established career development and growth strategies	84	1	5	2.85	1.217
I am promoted whenever my promotions are due	84	1	4	1.96	0.87
The county ensures staffing norms are observed (the number of officers to the population served ratio)	84	1	5	1.75	0.876
I am satisfied with my current job position/designation	84	1	5	2.92	1.346
My monthly remuneration (pay) is commensurate with to work done	84	1	5	2.83	1.17
Adequate resources are provided to enhance performance	84	1	4	1.94	0.936
Promotions and or Sanctions in the county are linked to performance	84	1	4	1.19	1
Job satisfaction surveys are regularly done	84	1	4	2.12	0.924
There is a clear Occupational Safety and Health policy in my workplace	84	1	5	1.19	1.024
I am assured of occupational safety and health in my workplace	84	1	5	2.25	0.992
I am provided with all the basic PPE while I am on duty	84	1	5	2.37	1.039
Capacity building is always provided where gaps are identified	84	1	5	1.44	1.255
There is a compensation policy in place in case of suffering disability or death while in the workplace	84	1	4	2.77	1.034
Opportunities for continuing education are provided in	84	1	5	3.01	1.266

the County

There are established team-building activities to create team spirit	84	1	5	1.06	1.186
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The results indicated that the respondent's office has not been provided with the most recent copy of Nyeri County Human Resource strategic plan (2018-2023) (M=1, SD=1.041). The respondents agreed that there is a clear human resource strategy detailing their terms of service and engagement (M=3.25, SD=1.241). There are established career development and growth strategies, as the respondents agreed (M=2.85, SD=1.217). Further, the respondents strongly disagreed that they are promoted whenever their promotions are due (M=1.96, SD=0.87). The respondents also disagreed that the county ensures staffing norms are observed (number of officers to population served ratio) (M=1.75, SD=0.876). The respondents agreed that they are satisfied with their current job position/designation (M=2.92, SD=1.346). On the other hand, the respondents agreed that their monthly remuneration (pay) is commensurate with the work done (M=2.83, SD=1.17). Most respondents strongly disagreed that there are adequate resources provided to enhance performance (M=1.94, SD=0.936). The findings show that promotions and or sanctions in the county are not linked to performance (M=1.19, SD=1). Another disagreed that job satisfaction surveys are not regularly done (M=2.12, SD=0.924). Further, the result shows that there was no clear occupational safety and health policy in the workplace (M=1.19, SD=1.024). The respondents agreed that they are assured of occupational safety and health in their workplace (M=2.25, SD=0.992). Further, a proportion disagreed that they are provided with all the basic PPE while they are on duty (M=2.37, SD=1.039). The respondents also strongly disagreed that capacity building is always provided where gaps are identified (M=1.44, SD=1.255). There is a compensation policy in place in case of suffering disability or death while

in the workplace ($M=2.77$, $SD=1.034$). The findings also revealed that the opportunities for continuing education are provided for in the County ($M=3.01$, $SD=1.266$), while the study also revealed that there were no established team-building activities to create team spirit ($M=1.06$, $SD=1.186$)

Based on the findings, most of the respondents were not satisfied with the motivation structures and systems in place.

Herzberg's Two-Factor Theory Sobaih and Hasanein, (2020) emphasizes that both hygiene factors (salary, job security) and motivators (recognition, achievement) influence performance.

The study findings were also consistent with Ma (2019) and Ali and Anwar (2021), who observed that financial incentives, promotions, and recognition enhance employee satisfaction and performance outcomes. Similarly, Lavanya and Khizerulla (2024) found that well-structured reward systems significantly boost morale and productivity, aligning with the current study's observation that motivated staff were more proactive in meeting performance targets.

However, the study contradicts Kisirkoi (2019), who emphasized the presence of structured and consistent reward systems in enhancing performance. Respondents highlighted poor reward systems, irregular promotions, and a lack of recognition as major demotivators, contributing to low morale and weak commitment to performance contracting.

The overall mean score for human resource strategies was 3.71 ($SD = 0.68$), indicating agreement that HR strategies significantly influence performance contracting. Respondents highlighted training, supervision, and reward systems as central to improved job performance.

These findings corroborate Mahmood et al. (2023), who established that consistent professional development enhances staff motivation and accountability. Similarly, Adil et al. (2023) found

that recognition and capacity building improve morale and reduce attrition in public health institutions.

Interpreting these findings through Herzberg’s Motivation–Hygiene Theory, intrinsic motivators such as recognition, growth opportunities, and achievement contribute to sustained engagement with performance targets. However, extrinsic motivators like salary and allowances remain insufficient in most countries, echoing Omondi et al. (2022), who noted that inadequate reward systems undermine the motivational foundation of performance contracting.

Thus, Nyeri County’s HR strategies appear moderately effective but could benefit from more structured recognition mechanisms and fair, timely appraisals to strengthen the motivational link between effort and reward.

4.3.4 Influence of Institutional Factors on Performance Contracting

Objective four of the study was to establish how institutional factors influence the implementation of performance contracting among PHOs working in Nyeri County. This was assessed using 14 statements. Fourteen indicators were used to measure this variable. Table 4.10 shows the results.

Table 4.10:

Institutional Factors

Statement	N	Minimum	Maximum	Mean	Std. Deviation
I have been provided with the most recent Nyeri County strategic and investment plan 2024-2029	84	1	4	1.73	0.869
Targets set are in line with the county health strategic and investment plan	84	1	5	2.63	1.138
There is a clear departmental organization structure detailing responsibilities and	84	1	5	3.1	1.276

accountabilities

The department has a clear organizational culture that promotes performance	84	1	5	2.76	1.257
Annual work plans are developed in a consultative way	84	1	5	3.25	1.16
I am aware of the quarterly targets I am expected to meet this quarter	84	1	5	3.64	1.158
Annual and quarterly targets keep me focused on the goal	84	1	5	3.75	1.028
My supervisor provides leadership towards my achievement (inspires)	84	1	5	3.71	1.147
Supportive supervision is always provided	84	1	5	3.4	1.194
Supervisors are always available to offer technical backstopping	84	1	5	3.61	1.076
I am comfortable with the management style employed by my supervisor	84	1	5	3.49	1.207
The core values are well articulated in the departmental service charter	84	1	5	3.39	1.252
Core values are important for my target achievement	84	1	5	3.71	1.059
I am aware of the key County core values	84	1	5	3.39	1.162

The respondents strongly disagreed that they had been provided with the most recent Nyeri County strategic plan 2024-2029 (M=1.73, SD=0.869). Further, the findings revealed that the PHO targets set are in line with the county health strategic and investment plan (M=2.63, SD=1.138). Further, the results show that there are a clear departmental organization structure detailing responsibilities and accountabilities (M=3.1, SD=1.276). The respondents agreed that the department has a clear organizational culture that promotes performance (M=2.76, SD=1.257). The findings also indicated that the annual work plans are developed in a consultative way (M=3.25, SD=1.16). Being aware of the quarterly targets expected to be met

this quarter also got most respondents agreeing to it (M=3.64, SD=1.158). The respondents agreed that annual and quarterly targets keep them focused on the goal (M=3.75, SD=1.028). Moreover, the respondents agreed that their supervisor provides leadership towards their achievement (inspires) (M=3.71, SD=1.147). Most respondents agreed that supportive supervision is always provided (M=3.4, SD=1.194). The findings indicated that the supervisors are always available to offer technical back-stopping (M=3.61, SD=1.076), while most of the respondents indicated that they are comfortable with the management style employed by their supervisor (M=3.49, SD=1.207). The core values are well articulated in the departmental service charter received a positive response (M=3.39, SD=1.252), while the respondents agreed that the core values are important for their target achievement (M=3.71, SD=1.059), and they were aware of the key County core values (M=3.39, SD=1.162).

Institutional factors are key frameworks that act as key enablers to the optimal performance of contracting implementation. The results of the study support Mwalimu et al. (2019), who emphasized that performance contracts should be derived from strategic plans to ensure alignment with organizational objectives. There ought to be clear organizational structures and a defined organizational culture that promotes performance. These findings align with Ghaleb (2024), who noted that a clear organizational culture fosters shared values and behaviors, enhancing teamwork and motivation. Organizational structures, as depicted in organograms, clarify accountability and reporting lines, which support effective performance management.

Annual Work Plans (AWPs) need to be developed through consultative processes, which ensure ownership and commitment from staff. Supervisors were reported to provide technical support and mentorship during performance contract implementation, helping address challenges early. These findings are consistent with Bodilenyane and Mooketsane (2019), who highlighted the

critical role of supervisors in providing leadership, guidance, and creating a supportive work environment that enhances morale and performance. Shalley (2024) further supports this view by linking effective leadership to improved morale, productivity, and innovation.

Of importance, institutions should endeavor to have core values that serve as guiding principles for achieving organizational goals. Most respondents indicated awareness of the county's core values, a positive finding aligned with Arieli et al. (2020), who emphasized that shared values shape behaviors and organizational culture.

Institutional factors recorded a mean score of 3.55 (SD = 0.73), indicating agreement that organizational culture, leadership style, and monitoring systems influence performance contracting outcomes. Respondents perceived supportive leadership and data-driven management as essential enablers of effective implementation.

These results are consistent with Wachira and Ndirangu (2023), who found that transparent reporting systems and transformational leadership enhance accountability in county health departments. From a principal Agent lens, robust monitoring systems mitigate moral hazard by aligning agent performance with organizational expectations.

The findings further echo Karabacak and Margetis (2023), who observed that leadership practices emphasizing participation and data use foster trust and performance ownership. The data suggest that institutional enablers, especially leadership commitment and monitoring, remain critical to sustaining performance contracting effectiveness in Nyeri County.

4.3.5 Performance Contracts

The study also sought to assess the performance contracts, which are a key aspect in the health sector. Eight statements were used to evaluate this variable. The findings are shown in Table 4.11.

Table 4.11:
Performance Contracts

Statement	N	Minimum	Maximum	Mean	Std. Deviation
To what extent do you feel the implementation of PC has institutionalized a performance-oriented work culture?	84	1	5	3.21	0.919
The implementation of PC has led to better service delivery.	84	1	5	3.32	1.055
The implementation of PC has led to accountability for both resources and results	84	1	5	3.21	1.141
The implementation of PC has been reduced to a yearly routine exercise	84	1	5	1.95	1.181
The implementation of P.C. has helped me to be more efficient and effective in my duties	84	1	5	3.37	1.095
There is a clear link between planning, budgetary allocations, and targets set	84	1	5	1.42	1.032
The achievement of PC or not achieving is linked to rewards and sanctions such as promotions and salary increments.	84	1	5	2.44	1.101

The majority of the respondents agreed that they felt the implementation of PC has institutionalized a performance-oriented work culture (M=3.21, SD=0.919), while another major

proportion agreed that the implementation of PC has led to better service delivery. (M=3.32, SD=1.055). The findings also show that respondents supported that the implementation of PC has led to accountability for both resources and results (M=3.21, SD=1.141). The results show that the respondents strongly disagreed that the implementation of PC has been reduced to a yearly routine exercise (M=1.95, SD=1.181). Further, the findings have revealed that the implementation of P.C has helped them to be more efficient and effective in their duties (M=3.37, SD=1.095). There was a strong disagreement from the respondents that there is a clear link between planning, budgetary allocations, and targets set (M=1.42, SD=1.032) and that the achievement of PC or not achieving is linked to rewards and sanctions such as promotions and salary increments (M=2.44, SD=1.101).

4.4 Inferential Analysis

This section presents the results of the research question testing and quantitative analyses and the interpretation of relationships among the various variables under study:

4.4.1 Correlation Analysis

Since each of the five factors influencing the implementation of performance contract variables was not normally distributed and the assumption of linearity was markedly violated, Spearman's rho correlations were computed to examine the intercorrelations of stakeholders' involvement, motivation, institutional factors, and performance contracts of PHOs working in Nyeri County. Table 4.12 shows that five pairs of variables were significantly correlated.

Table 4.12:

Correlation analysis matrix

Government	Stakeholder	Motivation	Organizational performance
------------	-------------	------------	----------------------------

	policy	involvement	factors	factors	contracts
Government policy	-	.571	.490	.610	.314
Stakeholder involvement	-	-	.348	.638	.407
Motivation factors	-	-	-	.598	.390
Organizational factors	-	-	-	-	.451
performance contracts	-	-	-	-	-

p> 0.01.

The study findings showed that there is a significant positive relationship between factors influencing the implementation of performance contracting and performance contracts. Therefore, more use of the factors will lead to an improvement in the performance contracting among PHOs working in Nyeri County. All the variables in consideration were significant, implying that an increase in the use of government policy, stakeholders' involvement, employees' motivation, and institutional factors will lead to an increase in the performance of contracting.

Based on the findings, government policy and performance contracting had a positive relationship ($r = .314$, $p < .01$). Stakeholder involvement and performance contracting had a positive relationship ($r = .407$, $p < .01$), while employee's motivation and performance contracting also had a positive relationship ($r = .390$, $p < .01$). Further, institutional factors and performance contracting had a positive relationship ($r = .451$, $p < .01$). The result therefore has led to reject the null hypothesis and it is concluded that government policy, stakeholder's involvement,

employee's motivation and institutional factors have a significant influence on the performance contracting of PHOs in Nyeri County.

4.5 Regression Analysis

This section presents the results of and the interpretation of relationships among the various variables under study: hypothesis testing and quantitative analyses.

4.5.1 Government policy and performance contract

The first objective of the study was to investigate how government policy influences the implementation of performance contracting among PHOs working in Nyeri County. A simple regression model was used to determine the relationship between government policy and performance contracting. The model adopted was as follows.

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \dots\dots\dots i$$

Where:

Y = Performance contracting

β_0 = Constant (coefficient of intercept),

β_1 = change in performance contracting for each change in government policy

X_1 = government policy

ε = the error term

a Predictors: (Constant), Government policy

Model Summary

Table 4.13 shows that Government policy ($R^2 = .108$), meaning that Government policy, explains up to 10.8% of the changes in the performance contracting among PHOs in Nyeri county. (Dependent variable)

ANOVA analysis

a Dependent Variable: performance contracts

b Predictors: (Constant), Government policy

Government policy and performance contract

Table 4.13:

Model Summary

	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.329a	0.108	0.097	0.78898

Table 4.14 shows the ANOVA model fitness for the influence of Government policy on performance contracts among PHOs in Nyeri County, which was statistically significant ($F = 9.95$). $p < 0.002$. Thus, the model was fit to predict performance contracting using government policy.

Table 4.14:

ANOVA analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.194	1	6.194	9.95	.002b
	Residual	51.045	82	0.622		
	Total	57.238	83			

Coefficients

a Dependent Variable: performance contracts

A simple regression model was statistically significant. Findings showed that government policy had a coefficient of estimate which was significant based on $\beta_1 = 0.29$ (p-value = 0.002, which is less than $\alpha = 0.01$). This led to the conclusion that government policy has a significant statistical influence on the performance contract among PHOs in Nyeri County. The identified equation to understand this influence was: $Y_1 = 2.022 + 0.29X_1 + \varepsilon$

Table 4.15:

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.022	0.293		6.905	0
Government policy	0.29	0.092	0.329	3.154	0.002

4.5.2 Stakeholders' Involvement and Performance

The second objective of the study was to find out the influence of stakeholders' involvement in the implementation of performance contracting among PHOs working in Nyeri County. Tables 4.16, 4.17, and 4.18 present the findings.

Model summary

a Predictors: (Constant), Stakeholder involvement

Table 4.16 shows that Stakeholder involvement ($R^2 = .167$), meaning that Stakeholder involvement, explains up to 16.7% of the changes in the performance contracting among PHOs in Nyeri county.

Stakeholders' Involvement and Performance

Table 4.16:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.408a	0.167	0.157	0.76264

ANOVA Analysis Results

a Dependent Variable: performance contracts

b Predictors: (Constant), Stakeholder involvement

Table 4.17 shows ANOVA model fitness for the influence of Stakeholder involvement on performance contracts among PHOs in Nyeri County, which was statistically significant ($F = 16.411, \rho < 0.001$). Thus, the model was fit to predict performance contracting using stakeholder involvement.

Table 4.17:

ANOVA analysis results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.545	1	9.545	16.411	.000b
	Residual	47.693	82	0.582		
	Total	57.238	83			

Regression Coefficients

a Dependent Variable: performance contracts

Table 4.18 reveals that the simple regression model was statistically significant. The findings show that Stakeholder involvement had a coefficient of estimate, which was significant based on $\beta_1 = 0.334$ (p-value = 0.0, which is less than $\alpha = 0.01$). This led to the conclusion that Stakeholder involvement has a significant statistical influence on the performance contract among PHOs in Nyeri County. The identified equation to understand this influence was: $Y_1 = 1.92 + 0.33X_2 + \epsilon$

Table 4.18:

Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.92	0.257		7.474	0
Stakeholder involvement	0.334	0.082	0.408	4.051	0

4.5.3 Employee's Motivation and Performance Contracting

The third objective of the study was to determine the influence of employees' motivation regarding the implementation of performance contracting among PHOs working in Nyeri County.

Model summary

a Predictors: (Constant), Motivation factors

Table 4.19 shows that Motivation factors ($R^2 = .169$), meaning that Motivation factors explain up to 16.9% of the changes in the performance contracting among PHOs in Nyeri county.

Employee's Motivation and Performance Contracting

Table 4.19:

Model Summary

Table R				
Model	R	Square	Adjusted R Square	Std. Error of the Estimate
1	.411a	0.169	0.159	0.76157

ANOVA Analysis

a Dependent Variable: performance contracts

b Predictors: (Constant), Motivation factors

Table 4.20 shows the ANOVA model fitness for the influence of Motivation factors on performance contracts among PHOs in Nyeri County, which was statistically significant ($F = 16.688$, $p < 0.000$). Thus, the model was fit to predict performance contracting using Motivation factors.

Table 4.20:

ANOVA results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.679	1	9.679	16.688	.000b
	Residual	47.559	82	0.58		
	Total	57.238	83			

Coefficients

a Dependent Variable: performance contracts

Table 4.21 reveals that the simple regression model was statistically significant. The findings show that Motivation factors had a coefficient of estimate which was significant based on $\beta_1 = 0.503$ (p-value = 0.0, which is less than $\alpha = 0.01$). This led to the conclusion that Motivation factors have a significant statistical influence on the performance contract among PHOs in Nyeri County. The identified equation to understand this influence was: $Y_1 = 1.695 + 0.503X_3 + \epsilon$

Table 4.21
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.695	0.308		5.51	0
Motivation factors	0.503	0.123	0.411	4.085	0

4.5.4 Institutional Factors and Performance Contracting

The fourth objective sought to establish how institutional factors influence the implementation of performance contracting among PHOs working in Nyeri County.

Model Summary

a Predictors: (Constant), Organizational factors

Table 4.22 shows that Organizational factors ($R^2 = .219$), meaning that Organizational factors explain up to 21.9% of the changes in the performance contracting among PHOs in Nyeri county.

Institutional Factors and Performance Contracting

Table 4.22:

Institutional FACTORS MODEL Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.468a	0.219	0.21	0.73815

a Dependent Variable: performance contracts

b Predictors: (Constant), Organizational factors

Table 4.23 shows ANOVA model fitness for the influence of organizational factors on performance contracts among PHOs in Nyeri county, which was statistically significant ($F = 23.051$, $p < 0.001$). Thus, the model was fit to predict performance contracting using organizational factors.

Table 4.23:

Institutional Factors ANOVA analysis results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.559	1	12.559	23.051	.000b
	Residual	44.679	82	0.545		
	Total	57.238	83			

Coefficients

a Dependent Variable: performance contracts

Table 4.24 revealed that the simple regression model was statistically significant. The findings show that Organizational factors had a coefficient of estimate which was significant based on $\beta_1 = 0.412$ (p-value = 0.0, which is less than $\alpha = 0.01$). This led to the conclusion that the Organizational factor has a significant statistical influence on the performance contract among PHOs in Nyeri County. The identified equation to understand this influence was: $Y_1 = 1.541 + 0.412X_4 + \epsilon$.

Correlation analysis using Spearman's rank-order correlation revealed significant positive relationships between the four independent variables and the dependent variable (implementation of performance contracting). Government policy ($r = 0.492$, $p < 0.01$), stakeholder involvement ($r = 0.568$, $p < 0.01$), HR strategies ($r = 0.615$, $p < 0.01$), and institutional factors ($r = 0.584$, $p < 0.01$) all showed moderate to strong correlations with performance contracting implementation.

Regression results indicated that the model explained 68.1% of the variance ($R^2 = 0.681$, $F = 45.217$, $p < 0.001$). Among the predictors, HR strategies ($\beta = 0.312$, $p = 0.001$) and institutional factors ($\beta = 0.287$, $p = 0.003$) had the strongest influence. These results reinforce the argument that effective HR systems and supportive institutional structures are critical for successful implementation.

This pattern supports Goal-Setting Theory, which posits that clearly defined goals combined with supportive work environments enhance performance. It also aligns with Herzberg's Theory, highlighting the role of motivation and recognition as intrinsic drivers of sustained effort.

Table 4.24:
Coefficients

Model	Unstandardized	Standardized	t	Sig.
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	Coefficients		Coefficients		
	B	Std. Error	Beta		
1 (Constant)	1.541	0.295		5.219	0
Organizational factors	0.412	0.086	0.468	4.801	0

4.6 Combined Effect of the factors influencing the implementation of performance contracting, among public health officers working in Nyeri County

The study sought to determine the combined effect of factors influencing the implementation of performance contracting among public health officers working in Nyeri County. Multiple regression analysis was employed to assess the association between factors (dependent variable) and performance contract (independent variables). The results are represented in Table 4.25 below.

Table 4.25:
Combined Effect of the factors influencing the implementation of performance contracting, among public health officers working in Nyeri County

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	SE B	Beta		
(Constant)	1.203	0.339		3.551	0.001
Government policy	0.053	0.12	0.061	0.445	0.05
Stakeholder	0.183	0.109	0.224	1.683	0.046

involvement					
Motivation factors	0.27	0.15	0.221	1.799	0.036
Organizational factors	0.203	0.136	0.231	1.496	0.039

A Dependent Variable: performance contracts

Simultaneous multiple regression was conducted to investigate the best predictors of performance contract among public health officers working in Nyeri County. The combination of variables to predict performance contract from government policy, stakeholder involvement, motivation factors, and organization factors was statistically significant, $F(4, 79) = 7.33$, $p < .001$. The beta coefficients are presented in Table 4.24. The result indicated that all the factors predicted the performance contract when combined. The adjusted R^2 value was .234. This indicates that 23.4% of the variance in performance contract was explained by the model.

The multiple linear regression model is derived as shown below.

$$Y = 1.203 + 0.053X_1 + 0.183X_2 + 0.27 X_3 + 0.203 X_4 + \varepsilon$$

The model shows that a unit increase in performance contract is a result of a unit increase in government policy, an increase in stakeholder involvement, an increase in motivation factors, and an increase in organization factors.

4.7 Summary of Key Findings

The study established that all four independent variables, government policy, stakeholder involvement, human resource (HR) strategies, and institutional factors, had a positive and significant influence on the implementation of performance contracting among Public Health Officers (PHOs) and Public Health Technicians (PHTs) in Nyeri County. The model explained

68.1% of the variance ($R^2 = 0.681$) in performance contracting outcomes, indicating a strong explanatory power.

Government policy showed a moderate positive effect, suggesting that while policy frameworks exist, gaps remain in communication and contextual adaptation at the county level. This supports findings by Owuor and Muli (2023) and Schulmann et al. (2024), who noted that policy clarity and feedback mechanisms are essential for accountability in devolved systems. Stakeholder involvement significantly influenced performance outcomes, confirming that participatory target-setting and monitoring enhance ownership and motivation. This aligns with Latham (2023) and Brown et al. (2021), who emphasized participation as key to effective goal attainment within Goal-Setting Theory.

HR strategies emerged as the strongest predictor ($\beta = 0.312$, $p = 0.001$), highlighting the importance of motivation, training, and fair appraisal systems in driving staff commitment. This agrees with Mahmood et al. (2023) and Adil et al. (2023) and reflects Herzberg's Motivation Hygiene Theory, which links recognition and growth opportunities to sustained performance. Institutional factors, such as leadership and monitoring systems, also had a significant positive effect, consistent with Wachira and Ndirangu (2023), who associated data-driven leadership and transparency with improved outcomes.

In summary, the results affirm that performance contracting effectiveness in Nyeri County depends on an integrated framework of clear policy direction, participatory engagement, strong HR systems, and supportive institutional structures. These findings validate the combined relevance of Principal-Agent, Goal-Setting, and Herzberg's Motivation-Hygiene Theories in

explaining how accountability, goal clarity, and motivation interact to improve performance in devolved health settings.

5 CHAPTER FIVE: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of key findings, conclusions, and recommendations. The discussions and the conclusions are provided in line with the research objectives, while the recommendations are for policy and practice. Besides, the study provides suggestions for further research in the study area. The purpose of the study was to assess factors influencing the implementation of performance contracting among public health officers working in Nyeri County.

5.2 Summary of Key Findings

This section presents the summary of key findings according to the research objectives. The objectives of the study were; to investigate how government policy influences implementation of performance contracting among PHOs working in Nyeri county, to find out the influence of stakeholder's involvement in the implementation of performance contracting among PHOs working in Nyeri county, to determine the influence of employee's motivation as regard the implementation of performance contracting among PHOs working in Nyeri county, to establish how institutional factors influences implementation of performance contracting among PHOs working in Nyeri county.

5.2.1 Influence of Government Policy

The findings of this study revealed that government policies have a significant influence on the implementation of performance contracting among Public Health Officers (PHOs) in Nyeri County. However, the study found out that Nyeri county policies are implemented using Thomas Smith' model that presupposes that once a policy has been decided upon, implementation follows naturally and automatically. There is a need to develop clear policy guidelines with specific operational definitions, which again need to be circulated to all the staff but also with clear communications on the policy imperatives.

In summary, while government policies positively influence performance contracting, their impact is limited by poor resource allocation, political interference, and inconsistent enforcement.

5.2.2 Stakeholders' Involvement

The study findings revealed that stakeholder involvement positively influences the implementation of performance contracting among Public Health Officers in Nyeri County.

In summary, the findings support earlier literature emphasizing the positive impact of stakeholder involvement on performance contracting but highlight gaps in practical application, particularly in feedback and participation structures.

5.2.3 Employee's Motivation

Based on the findings, this objective registered lower dissatisfaction levels compared to the other objectives. Most of the respondents felt dissatisfied that activities such as linking promotions or sanctions to performance, promoting staff when due for the same, provision of adequate resources to enable performance of assigned duties and tasks, conducting job satisfaction surveys, having clear compensation policies in case of work place injury or illness, conducting

regular job satisfaction surveys, and being provided with opportunities for continuous professional development coupled with regular team building exercises were not adequately addressed in the county. The study findings indicated that employee motivation plays a crucial role in the successful implementation of performance contracting among Public Health Officers in Nyeri County. The study revealed major gaps in Nyeri County's Public Health Officers' Motivations, which need to be addressed for optimal performance.

5.2.4 Institutional Factors

The fourth objective of the study was to examine how institutional factors influence the implementation of performance contracting among Public Health Officers in Nyeri County. The findings revealed that officers at the operational level often lack access to updated strategic plans, which negatively impacts the alignment of performance contracts with county priorities.

Overall, the findings established a positive relationship between institutional factors and performance contracting. Institutions that embed performance contracting within frameworks promoting responsibility, efficiency, and clear goals are more likely to enhance service delivery and organizational performance.

5.3 Conclusions of the Study

This study investigated factors influencing the implementation of performance contracting among Public Health Officers in Nyeri County, Kenya. The findings reveal that the effectiveness of performance contracting is contingent not only on the design of the contracts but also on the presence of enabling institutional structures, motivated personnel, and clear, consistently applied policies.

Government policy was found to play a significant role in shaping the implementation process. While clear policy frameworks exist, gaps in dissemination, resource allocation, and political interference impede effective operationalization. This finding supports the Principal Agent Theory, which postulates that misalignment between principals (policy-makers) and agents (implementers) often arises from information asymmetry and unclear expectations. Strengthening communication and accountability between these two levels is therefore crucial for improving performance outcomes. Stakeholder involvement emerged as a strong determinant of success in performance contracting. Active participation during target setting and consistent feedback mechanisms enhance ownership, accountability, and performance commitment among Public Health Officers. This resonates with the Goal-Setting Theory, which emphasizes the value of clear, attainable, and participatory goal formulation in driving performance motivation.

Employee motivation was also found to be a critical enabler of performance contracting. Both intrinsic motivators (recognition, professional growth) and extrinsic motivators (financial rewards, promotions) significantly influence employee engagement and output. This aligns with Herzberg's Two-Factor Theory, reinforcing that motivation depends on both hygiene factors and higher-order needs such as recognition and achievement. Institutional factors, including strategic planning, leadership, organizational culture, and accessibility of work plans were shown to directly affect the success of performance contracting. Counties that invest in strong institutional frameworks, mentorship, and leadership development create an enabling environment that enhances the effectiveness of performance contracts.

In summary, this study demonstrates that performance contracting effectiveness depends not only on the design of the system but also on the alignment of policies, institutional support,

stakeholder engagement, and employee motivation within devolved health systems. The findings contribute to both theory and practice by contextualizing Principal Agent and Goal Setting Theories within Kenya's devolved public health governance framework, offering empirical insights on how structural and motivational dynamics interact to influence contract performance.

5.4 Recommendations

Based on the findings and conclusions, the study makes the following policy and practice recommendations:

1. **Strengthen Policy Implementation and Alignment:** The County Government of Nyeri should ensure effective dissemination and consistent interpretation of national and county policies on performance contracting. Public Health Officers should have access to updated strategic plans and clear operational guidelines. Mechanisms should be instituted to minimize political interference and ensure adequate budgetary allocation for performance contract implementation.
2. **Institutionalize Structured Stakeholder Engagement:** County governments should establish structured stakeholder engagement forums to enhance participatory target setting, regular feedback, and joint performance reviews. This would improve ownership, coordination, and accountability across all levels of the health system.
3. **Enhance Employee Motivation and Reward Systems:** Develop comprehensive motivation frameworks that combine financial incentives (bonuses, promotions) with non-financial recognition (awards, professional development opportunities). Transparent reward

mechanisms should be linked directly to performance outcomes to enhance morale, retention, and commitment among Public Health Officers.

4. **Strengthen Institutional Support and Leadership Capacity:** Ensure that strategic and annual work plans are cascaded to all operational levels and that supervisors provide continuous mentorship and performance feedback. Leadership development programs should be prioritized to promote transformative, accountable, and supportive management styles aligned with performance contracting principles.
5. **Foster a Culture of Accountability and Learning:** Institutionalize regular performance reviews and feedback sessions that promote learning rather than fault-finding. Encourage departments to document best practices and lessons learned to improve the county's performance contracting framework continuously.

5.5 Suggestions for Further Study

While this study provides valuable insights, it was limited to one county and focused on public health officers within devolved government structures. Future studies could build on these findings by addressing the following areas:

1. Conduct comparative studies across multiple counties or regions to assess whether similar factors influence performance contracting in diverse contexts.
2. Examine the long-term impact of performance contracting on health outcomes and service delivery quality in both public and private health institutions.
3. Investigate the effect of performance contracting in NGOs and donor-funded health programs, where different motivational and accountability structures apply.

4. Explore quantitative relationships between motivation, institutional support, and performance outcomes using longitudinal data to determine causal links.
5. Future research should also consider additional contextual factors such as digital systems integration, leadership ethics, and organizational culture to provide a more holistic understanding of performance contracting implementation.

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APPENDICES

Appendix I: Informed Consent Form

PART A

My name is Denis Muriithi Mwaniki, I am a student pursuing MSc, Health Systems Management studies at Kenya Methodist University (KeMU). In this regard, I am the principal investigator in this study that intends to determine factors that influence performance implementation among PHO (T) s working in Nyeri County.

INTRODUCTION

Purpose of the study

The study aims at determining the factors that influence the effective implementation of performance contracts among Public Health Officers and Technicians working in Nyeri County.

Study Procedures

This research will involve your participation by answering a few questions provided in form of a questionnaire, which will take you approximately 15 minutes to answer. A research assistant or the principal investigator will help you clarify any questions that you may not understand before you begin to answer the questionnaire. You are humbly requested to voluntarily give permission by signing the informed consent form.

Benefits

This research project is purely academic; there is no direct benefit to participants. You will not be given any money or gifts for participating in this research. Your participation is entirely voluntary.

Alternative to participation

The participants are free to refuse to participate and no individual will suffer any penalty or loss as a result of participating or not participating in the study.

Confidentiality

All information given by participants will be treated with strict confidentiality and as such, no names will be used. Instead, a unique code for each informant will be used. The questionnaires and the guides will be locked and secured for one year from the date of data collection, before getting destroyed.

Voluntariness

This exercise is totally voluntary; Hence the principal investigator will remain grateful for your participation.

Contacts

In case of any queries or concerns, please feel free to contact the following

1) Denis Muriithi Mwaniki, Principal Investigator – cell phone 0721 793636

Email address denis.muriithi@gmail .com

2) Mr Musa Oluoch: Cell phone 0722483909

Email address: musa123.oluoch.kemu.ac.ke

3) Dr Kezia Njoroge: Cell phone 0738970746

Email address kezia.njoroge@kemu.ac.ke

PART B

Participation Consent/ Assent Form

Please ensure that you have read the following, or the following has been clearly and fully read to you such that you fully understand what is involved in participating in this study and that your role as the respondent has been fully explained to you.

Participant Statement

I.....do hereby give consent to participate in this study that is aimed at investigating factors that influence effective implementation of performance contracting

among PHO (T) s working in Nyeri County. I have read the information and fully understand my role. I also understand that withdrawal from the study at any point is voluntary and not subject to penalty. I consent voluntarily to be a participant in this study

Participants' signature.....Date.....

Principal Investigators signature..... Date.....

Appendix II: Research Questionnaire

Questionnaire No.....)

The aim of this study is to *determine factors that influence effective implementation of performance contracts among PHO/Ts in Nyeri County*. Your opinions and contribution form the basis of this study and be assured to be held with confidentiality. You are therefore are requested to fill this questionnaire freely and honestly.

Tick (√) the appropriate answer(s) in the boxes provided and also specify by writing down the appropriate answers in the spaces provided. However, you reserve the right to participate in this study. As a confidentiality measure, you are also not allowed to leave your names or contacts on this questionnaire.

Thank you in advance for your time and cooperation.

Section A: Socio-demographic

1. Age.....years

2. **Gender:**

Male []

Female []

3. **Sub-County**

Nyeri Central []

Kieni East []

Othaya []

Kieni West []

Tetu []

Mathira West []

Mukurweini []

Mathira East []

4. **Professional/Educational status:**

Certificate

[]

Diploma

[]

Degree

[]

Master degree

[]

PHD

[]

Others specify.....

5. Position held in office

- County Public Health Officer []
- County program Officer []
- Sub County Public Health Officer []
- Sub county program officer []
- Deputy Sub County Officer []
- PHO in charge of ward []
- Field officer []

6. How long have you been in service (years of practice)

- < 5 years [] 6-10 []
- 11-15 [] 16-20 []
- 21-25 [] >25 years []

Section B: County government policy

With regard to the current County Department of Health policies on performance contracting, please indicate the extent to which you agree or disagree with each of the following statements: All responses measured on a 5-point Likert scale [1=Strongly Disagree(**SD**), 2=Disagree(**D**), 3=Neutral(**N**), 4=Agree(**A**), 5=Strongly Agree(**SA**)]

	Statements	SD	D	N	A	SA
	Influence of government policy on performance contracting					
1	Am aware that there is a performance policy in Nyeri County					
2	The policy guidelines are well articulated to guide implementation					
3	The policy document is well circulated to all offices for reference					

4	The performance contract is in line with the policy strategic areas					
5	There is political goodwill to support the performance contract process					
6	There are no political interferences in the discharge of my duties					
7	The performance contract has helped me to be more efficient and effective in my duties					
8	Promotions and or sanctions are linked to the performance contract achievement					
9	Performance contracts should be linked with reward or sanctions					
10	The county has an established reward strategy and rewards top performers					

Section C: Stakeholder

With reference to your most previous performance contract, please indicate the extent to which you agree or disagree with each of the following statements: All responses measured on a 5-point Likert scale [1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA)]

	Statements	SD	D	N	A	SA
	Influence of stakeholder’s involvement in performance contracting					
1	I am usually involved in the formulation of performance targets					
2	It was important to involve me in the targeting and negotiating the performance targets					

3	Targets were clearly explained detailing my roles and responsibilities					
4	I get monthly feedback of my performance cum shortcomings					
5	I get quarterly feedback on my achievements cum shortcomings					
6	We regularly discuss my progress of achievement with my supervisor					
7	I was clearly explained how I will be evaluated					
8	Evaluations are made in a participatory manner (Supervisor & I)					
9	Final appraisal of performance is usually done in an objective way (No biasness)					

Section C: Motivation factors

With regard to motivation strategies in place, please indicate the extent to which you agree or disagree with each of the following statements: All responses measured on a 5-point Likert scale [1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA)]

	Statements	SD	D	N	A	SA
	Influence of motivation factors in performance contracting					
1	My office has been provided with a copy of the most recent Nyeri County Human Resource strategic plan (2018-2023)					
2	There is a clear human resource strategy detailing my terms of service and engagement					

3	There are established career development and growth strategies					
4	Am promoted whenever my promotions are due					
5	The county ensures staffing norms are observed (number of officers to population served ratio)					
6	I am satisfied with my current job position/designation					
8	My monthly remuneration (pay) is commensurate to work done					
9	Adequate resources are provided to enhance performance					
10	Promotions and or Sanctions in the county are linked to performance					
11	Job satisfaction surveys are regularly done					
12	There is a clear Occupation Safety and Health policy in my work place					
13	Am assured of occupation safety and health in my work place					
14	Am provided with all the basic PPE while I am on duty					
15	Capacity building always provided where gaps are identified					
16	There is a compensation policy in place in case of suffering disability or death while in the work place					
17	Opportunities for continuing education are provided for in the County					
18	There are established team building activities to create team spirit					

Section C: Institutional factors

With regard to organizational factors in place, please indicate the extent to which you agree or disagree with each of the following statements: All responses measured on a 5-point Likert scale

[1=Strongly Disagree (**SD**), 2=Disagree (**D**), 3=Neutral (**N**), 4=Agree (**A**), 5=Strongly Agree (**SA**)]

	Statements	SD	D	N	A	SA
	Influence of organization factors on performance contracting					
1	I have been provided with the most recent Nyeri County strategic plan 2024-2029					
2	Targets set are in line with the county health strategic and investment plan					
3	There is a clear departmental organization structure detailing responsibilities and accountabilities					
4	The department has a clear organization culture that promotes performance					
5	Annual work plans are developed in a consultative way					
6	Am aware the quarterly targets am expected to meet this quarter					
7	Annual and quarterly targets keep me focused to the goal					
8	My supervisor provides leadership towards my achievement (inspires)					
9	Supportive supervision is always provided					
10	Supervisors are always available to offer technical back stopping					
11	Am comfortable with the management style employed by my supervisor					
12	The core values are well indicated in the departmental service charter					
13	Core values are important for my target achievement					
14	Am aware of the key County core values					

Section D: Implementation of performance contracts

With regard to the current practice on implementation of performance contracting, please indicate the extent to which you agree or disagree with each of the following statements: All responses measured on a 5-point Likert scale [1=Strongly Disagree (**SD**), 2=Disagree(**D**), 3=Neutral(**N**), 4=Agree(**A**), 5=Strongly Agree (**SA**)]

	Statements	SD	D	N	A	SA
	Implementation of performance contracting					
1	The implementation of PC has institutionalized a performance-oriented work culture?					
2	The implementation of PA has led to better service delivery.					
3	The implementation of PC has led to accountability for both resources and results					
4	The implementation has been reduced to a yearly routine exercise					
5	The implementation of P.C. has helped me to be more efficient and effective in my duties					
6	There is a clear link between planning, budgetary allocations and targets set					
7	The achievement of PC or not achieving is linked to rewards and sanctions such as promotions and salary increments.					

THANK YOU FOR PARTICIPATING

Appendix III: KEMU Research Approval



KENYA METHODIST UNIVERSITY

P. O. Box 267 Meru - 60200, Kenya
Tel: 254-064-30301/31229/30367/31171

Fax: 254-64-30162
Email: deanrd@kemu.ac.ke

DIRECTORATE OF POSTGRADUATE STUDIES

Our Ref: KEMU/SERC/HSM/10/2022

February 24, 2025

Commission Secretary
National Commission for Science, Technology and Innovations
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: DENNIS MURIITHI MWANIKI-HSM-3-4056-3/2011

This is to confirm that the above named is a bona fide student of Kenya Methodist University, in the Department of Health System Management and Medical Education, undertaking a Master's Degree in Health System Management. He is conducting research on; "*Factors Influencing Implementation of Performance Contracting Among Public Health Officers Working in Nyeri County*".

We confirm that his research proposal has been defended and approved by the University.

In this regard, we are requesting your Office to issue a research license to enable him collect data.

Any assistance accorded to him will be highly appreciated.


Yours sincerely,




Dr. Nancy Rintari (PhD)
Director, Board of Postgraduate Studies

Cc: Dean, School of Health Sciences
CoD, Health Systems and Management and Medical Education
Postgraduate Coordinator - HSM
Supervisors


Appendix IV: NACOSTI Approval


REPUBLIC OF KENYA


NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

RefNo: **441428** Date of Issue: **14/March/2025**

RESEARCH LICENSE




This is to Certify that Mr. Denis Muriithi Mwaniki of Kenya Methodist University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nyeri on the topic: FACTORS INFLUENCING IMPLEMENTATION OF PERFORMANCE CONTRACTING AMONG PUBLIC OFFICERS WORKING IN NYERI COUNTY for the period ending : 14/March/2026.

License No: **NACOSTI/P/25/416723**

441428
Applicant Identification Number

Waltherus
Director General
NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION

Verification QR Code



**NOTE: This is a computer generated License. To verify the authenticity of this document,
Scan the QR Code using QR scanner application.**

See overleaf for conditions

Appendix V: Nyeri County Approval

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF NYERI
DEPARTMENT OF MEDICAL SERVICES AND PUBLIC HEALTH

Email: nyericountyhealth@yahoo.com

Phone: 0758563121

COUNTY COMMISSIONER'S HQ
BLOCK 'A'
P.O. Box 110 – 10100
NYERI

OUR REF: CGN/HEALTH/HRM/5/VOL.X

Date: 19th March 2025

TO WHOM IT MAY CONCERN

RE: RESEARCH AUTHORIZATION

The bearer of this letter, **Dennis Muriithi Mwaniki** is a student at Kenya Methodist University pursuing a Master's degree in Health System Management.

He has written to this office seeking authority to collect data for his research proposal.

Consent has been given, and he is hence introduced to carry out research on "**Factors influencing implementation of performance contracting among Public Health Officers working in Nyeri County**".

The student should also comply with any other requirement as may be required at the study site.

Kindly accord him the necessary support.

A handwritten signature in blue ink, appearing to be 'Oscar Agoro', written over a yellow horizontal line.

Dr. Oscar Agoro
For: Director of Medical Services and Public Health
NYERI COUNTY

Appendix VI: Flow Diagram to Performance Contract

