

EFFECT OF ORGANIZATIONAL LEADERSHIP ON IMPLEMENTATION OF PERFORMANCE CONTRACTING STRATEGY AMONG SELECTED COUNTY GOVERNMENTS OF KENYA

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ABSTRACT

The goal of the performance contracts strategy is to increase service quality, enhance resource usage efficiency and institutionalize a performance-oriented culture in the public service. However, having a strategy that is well formulated is not enough unless it is properly implemented by an organization. Successful strategy implementation requires management involvement that has the resources and authority for its enforcement. The main objective of this study was to establish the effect of organizational leadership on implementation of performance contracting strategy among selected county governments of Kenya. A descriptive survey research design was applied in this study. The target population was 963 management staff in selected county government who were hugely involved in implementation of performance contracting strategies. These were drawn from the 3 best performing counties (Makueni County, Kakamega County and Kericho County) and 3 worst performing counties (Busia County, Wajir County and Samburu County). A sample population of 126 respondents was selected using stratified random sampling. Primary data

was obtained using self-administered questionnaires. The researcher analyzed the quantitative data using descriptive was used for data that is qualitative nature or aspect of the data collected from the open-ended questions. Regression analysis was used to establish the relations between the independent and dependent variables. The information was displayed by use of tables, graphs and in prose-form. The study found that unified vision/enhancing team-work affects implementation of performance contracting strategy among selected county governments of Kenya very greatly. The study concluded that organizational leadership ($r=0.128$, $p=0.004$) had a strong, positive and significant effect on the implementation of performance contracting strategy among selected county governments of Kenya. The study recommends that the county governments' leadership to put in place mechanisms for rewarding high performers whose target achievement is above expectation and reprimand those employees whose performance is below expectation.

Keywords: Service quality, Strategy implementation, Organizational leadership, Performance contracting, unified vision.

INTRODUCTION

Performance contract strategy guarantees that an arrangement defines performance criteria or quantifiable goals, which government expects public authorities or public agency or ministry management to achieve for a given period of time (Deng, Jiang, Cui & Zhang, 2015). The common aims of the performance contracting strategy are as part of the performance guidelines of government, to explain the priorities and ties with the government of service organisations. The development of concrete performance objectives in a tracked framework aims at providing the basis for performance assessment and enhancement of public business

transparency. This reflects the transition from the regulation of the inputs and procedures of the past to the current production model (Selviaridis & Wynstra, 2017).

The value contracting strategy is one component of wider reforms in the public sector aimed at improving quality and production while reducing total costs. A performance contract strategy is a collection of management tools to determine obligations and objectives between parties for mutually agreed outcomes (Deng, Jiang, Cui & Zhang, 2015). It is a useful resource to articulate goals, encourage innovative management, reporting and control practices and provide strategic and operational autonomy for public service administrators at the same time. It is therefore a management tool to ensure public officials' accountability for outcomes by evaluating the degree to which they are targeted (Carbonara & Pellegrino, 2018).

Managerial factors are determinants linked to organizational coaching policies. Because managers use different means to enhance the implementation of strategies within an organization. Managerial factors including education, age, experience, communication and functional track predict an organization's success at implementing its strategies. While some authors have supported this proposition, others are of a contrary opinion. Previous experience, educational background, and strategic awareness were critical factors in implementing strategies in the SME sectors among managers (Milana & Maldaon, 2015). The formulation of the strategy is a mechanism by which suitable course of action is decided in order to achieve organizational goals (Tanikawa, Kim & Jung, 2017). Strategy implementation is the putting of the formulated strategies into place by focusing on methods and procedures designed to execute them and the order in which strategies should be implemented in order to obtain the desired results. Strategy evaluation involves how strategy has been implemented as well as its outcome. This explores whether the mechanism and activities are working well and whether the outcomes are achieved. Management of diversity refers to organizational actions that facilitate greater incorporation of personnel from diverse backgrounds into the framework of an organization (Elbanna, Andrews & Pollanen, 2016).

The execution of the performance contracting strategy is an essential stage of the strategy management process involving conversion into operation of the strategic plan. After an effective strategy is formulated, the concept of strategy execution might seem very straightforward. The transformation of plans into behavior is therefore much more complicated, difficult and demanding and therefore not easy, as many might suppose (Njoroge, 2015). The reasons for success or failure of the strategy's execution concern the essence of the strategy itself its policies and its support mechanisms, the planning and distribution of resources, the structure and strategy fit, communication processes, leadership and organization's culture, the alignment of the strategy to short term goals and sub-strategies. One of the challenging and difficulties facing top managers is the execution of the related strategies. Efficient results in integrating organizational resources and activities in accordance with the strategic goals and objectives achieved and in defining main success drivers and aligning the performing action and reporting (Engert & Baumgartner, 2016).

The most important thing when executing a plan is the dedication of the responsible persons to the strategic path. This is without doubt, a condition for the strategy's execution. It is necessary therefore for the top managers to demonstrate how ready they are to give the implementation process energy and loyalty. This demonstrable dedication is a positive symbol for all the organizational participants involved. The output contracting process in the state company started in 2004. Performance contracting is supposed to increase employee satisfaction and thereby improve job performance. In exchange, enhanced work performance will lead to stronger financial performance and tangible performance (Chang, 2016).

The success of performance agreements has attracted a wide spectrum of interest in this strategy from a global perspective in a number of countries such as Pakistan, South Korea, France, India, Malaysia and Kenya. Many governments and international organizations currently apply this approach to boost public enterprises' efficiency in their countries. Contracts for results are a creative method to boost efficiency in the public sector. They are now known as a vital instrument to encourage good governance and accountability for the performance of the public sector. In Belgium, public sector performance contracts date from the collapse in 1830 of the conventional monolithic government and stipulated that the Organization and government requirements became obligatory for public services. Although in Belgium, its paradigm was established in the 1800s, its research emerged in France in the 1960s, then adopted in Pakistan, Korea and India (Baldwin, 2016).

In 1998, in the UK public sector performance contracting was implemented as a system of the Public Service Agreement (PSA), and all government institutions set out a set of performance targets. Under the research, major changes were introduced during the 1987-1997 period in Finland and the aim was to improve transparency and responsibility of public bodies. As per the Government Performance and Results Act of 1993, the performance contract in Denmark played an important role in increasing efficiency and policy influence and thus increases citizens' confidence in their government by allowing federal departments productivity (Nolden, Sorrell & Polzin, 2018).

In Africa, experiences of weak public institutions called for a new systemic plan for restructuring of the public sector to tackle these problems. Countries such as Ghana, Nigeria, Gambia and Kenya began administering public services in 2005 by means of contracts for results. The Ogundeji, Jackson, Sheldon, Olubajo and Ihebuzor (2016) reported that in the 2008/2009 performance agreement of the Eastern African Community (EAC), the Member States (Kenya, Uganda and Tanzania) have identified joint performance criteria including a Strategic Plan that ensures that successful work plans are developed on an in-depth basis.

Since its inception in Ghana, performance contract strategies have made an important contribution to the efficient delivery of services to people in third-party institutions. This is because previously unused resources are used efficiently. It is important to bear in mind that the bulk of these past researches concentrated on success contract execution in state-owned firms with few studies of its quality in tertiary services. Therefore by conducting this analysis

with samples from a special needs facility located in the newly formed counties; this difference must be bridged (Korir, Rotich & Bengat, 2015).

In Uganda, on 17 October 2003, GOU (2003) signed a performance contract with the National Water and Sewerage Corporation in order to ensure the use of clean water sources. Many water utilities have reported that management performance has improved marginally, but the challenge of transparency and sustainability has eventually led to efficient service delivery for people. Performance contracting was implemented in the United Republic of Tanzania with the goal of public institutions and stakeholder interests, organizing annual competition and permitting awards, and performing research on the effect of performance contract implementation on the public service sector (Ahimbishibwe & Muhwezi, 2017).

In the 1989 policy reform paper for parastatals, the idea of performance contracting strategy in Kenya can be traced from a local perspective and was accepted by the cabinet in 1991 as the first acknowledgment of the policies recommended for controlling and streamlining the performance of state corporations. The first two parastatals to be on the PCs in 1989 were National Cereals and Produce Board and the Kenya Railways. The two did not however, meet the performance contracting criteria. Kenya Railways was ranked No. 56 in the most recent PC assessment of state corporations conducted in December 2006, while the National Cereals and Development Board was ranked 109. The government made a commitment to the reintroduction of performance contracts in 2003 to ensure accountability and openness in the management of public resources (Kemboi, 2015).

The Government developed and initiated the Plan for Performance Enhancement in the Public Service in 2001 in order to drive the implementation of the Public Service Response Performance forward. The Policy aimed to raise productivity and enhance the delivery of services. It outlined the steps needed to bring about a long-lasting and sustainable improvement in the way public services are delivered (Rotich, 2019). As a result of poor strategic thinking, the PC strategy implementation process in government tertiary institutions was impacted by weak manager actions. The relationships within and between agencies, coordination, organizational structure and insufficient resources were other factors considered to affect the implementation of the strategy in Kenya. Manager characteristics are characteristics endorsed by management team members that influence decisions that affect the production of future results of an organization (Moraa, 2015).

Since its inception in 2004, the performance contracting strategy in Kenya has led to remarkable changes in public service delivery. Instead of concentrating on procedures, the framework is credited with improving the perceptions of elected officials by focusing them on outcomes and citizenship service. The public sector is the body charged with the provision of goods and services at the national, regional or local level by and for the government. The public sector must unambiguously be defined in several respects in modern politico-administrative settings (Okungu, 2017). This study sought to establish the effect of managerial factors on implementation of performance contracting strategy among selected county governments of Kenya.

County Governments of Kenya

The Kenyan government recognizes that poor performance has occurred in the public sector over the years, particularly in public resource management, which has hampered the achievement of sustainable economic development. The government has continued to pursue a series of reform initiatives to boost efficiency. The seminar clarified the role of county government, performance contracting, the problems facing counties in enforcing the performance contract, and proposed a solution to the successful execution of the performance contract in the counties (Korir, Rotich & Bengat, 2015).

County governments are responsible for county rule (as outlined in Article 185 of the Kenya Constitution), executive duties (as outlined in Article 183), functions outlined in the fourth schedule of the Kenya Constitution, functions shifted from the national government by Article 187 of the Kenya Constitution, functions decided with other counties pursuant to Article 189(2) (under article 235 of the Constitution of Kenya). The roles of governments delegated by the fourth schedules of the Constitution of Kenya to counties (Njoroge, 2015).

In the financial year 2015/16, the introduction of a performance contracting policy was implemented in several countries. Sensitization at the headquarters and sub-county levels of senior management was carried out. A performance contracting secretariat was created with the mandate of overseeing departmental performance problems, shaping and empowering performance personnel, developing policies and procedures, tracking performance, assessing performance and delivering input in order to make operationalization efficient (GMC, 2015). The County Public Service Board has provided frameworks for success improvement under Section 47 of the County Government Act, 2012. There is a provision for each governor to send to the County Executive Committee Representatives and the County Assembly Public Board an annual results audit. County governments have embarked on the road of efficiency implementation to boost service quality to their people (GMC, 2015).

Statement of the Problem

Improved service delivery, improved productivity in the usage of capital and institutionalization of a performance-oriented ethos in the public service are the anticipated outcomes of the adoption of the performance contract policy. However, having a strategy that is well formulated is not enough unless it is properly implemented by an organization (Selviaridis & Wynstra, 2018). An effective performance contract strategy implementation needs to adjust adequately to the capabilities of the organization. Implementation of performance contract strategy relies heavily on managers and the management team related factors have an impact on its success (Ahimbishibwe & Muhwezi, 2015).

It was hoped that the transition from a unitary state to a devolved government structure would increase service quality to the public. However, despite the introduction of performance contracts strategy in county governments in 2015, there is still poor service delivery among the county governments as evidenced by the numerous complains about inefficiency by the citizens and public outcry on quality of services which have been far below expectations

(GOK, 2018). This is attributed to inadequate lack of required managerial capabilities among the county's management given that most positions are given as political favors with total disregard of the staff competence (Moraa, 2015). In addition, the counties have also been riddled with inefficient communication of its strategies slowing down their operationalization among the various departments and lack of transparency (Okungu, 2017).

These strategies have yielded minimal results in terms of delivering quality service to the public due to corruption and poor management of public resources and bloated staff establishment (Muraguri & Wagoki, 2016). Further, county employees have failed to achieve the targets as specified performance contracting as a result of inadequate support from management who exercise excessive control. Most of the county leadership adopt autocratic leadership where most of county staff have limited autonomy to carry out their work on how to effective implementation of performance contracts strategy (Kemboi, 2015). Further, most of the counties have majority of their staff coming from the home county with a common cultural values background and social orientation which robs the counties of the diverse expertise which would come from having staff from heterogenous backgrounds (Sila, 2018). Consequently, where resources are reduced or become inadequate, the quality of life of the people in the home countries and the growth of nations are impaired (Grapinet, 2016).

Reviewed local studies (Akaranga, 2010; Moraa, 2015; Mwangi, Gakure, Arasa & Waititu, 2017; Anganyo & Mbatha, 2019; Koskey & Rotich, 2019) did not critically address the various managerial factors such as organizational leadership, manager capability, communication strategy and managerial diversity affect implementation of performance contracting strategy. Mwangi, Gakure, Arasa and Waititu (2017) and Silas (2018) studies were limited and suffered from logical differences as they only tackled PC-affected general problems. The study by Moraa (2015) and Koskey and Rotich (2019) had a contextual difference as it focused on the National Aids Control Council and public pension funds, while the new study focuses on counties. The research by Akaranga (2010) and Anganyo and Mbatha (2019) also faced methodological problems because in addition to exploring a different conceptual region, it was a desk-based study (the general public sector). It was due to these conceptual and contextual gaps that the current study sought to establish how organizational leadership affect implementation of performance contracting strategy among selected county governments of Kenya.

Research Hypothesis

H₀₁: Organizational leadership has no significant effect on the implementation of performance contracting strategy among selected county governments of Kenya.

THEORETICAL REVIEW

This study was based on the Goal-Path Theory. Robert House (1971) promoted this theory, explaining how setting targets for workers motivates them to perform tasks. He discusses how the actions of the chief influences employee efficiency and how it can balance his

subordinates' performance. It is the role of management to help workers achieve their targets. This hypothesis shows that the action of the boss is the way and that the objective is what the workers accomplish. House (1971) refers to the adjustment in behaviour by a chief based on the situation. This means that a leader cannot shift his corporate leadership to a result-oriented role when success contracts are enforced, since the PC has goals and schedules (Cote, 2017).

The leader is also responsible for ensuring the expectations and goals of the success contract are consistent with the aims of the organisation. The theory of target paths is based on the dimensions of engagement, direction, achievement and support of subordinates (Baldwin, 2016). Performance contracts are completed on schedule. A manager should ensure that the goals are met by empowering and inspiring his workers within the set duration. Victor Vroom (1964) says politicians who endorse this idea are worried about the psychological well being of their workers.

Implementing success contracting plan is a stressful project and workers deserve a boss who worries about their feelings and individuals have personal difficulties related to family issues and job problems (Chambers, 2017). According to Locke (2014), setting targets offers motivation for workers to improve morale and to be inspired. He emphasized that where good knowledge is required, certain principles should be used, including clarity, dedication, input, avoidance of vulnerability and relevance to the anticipated outcome. The concept to set unique, observable, achievable, practical and timely SMART targets is also reaffirmed (Locke, 2014).

The efficient implementation of the performance contracting process depends on organizational productivity. The leader must be properly driven and inspired. Employees are guided by the ability of leaders to direct them to the goals and objectives of the company. This principle highlights the productivity of the company and the leadership role that the leader plays in giving his subordinates specific targets in order to achieve strategic vision goals for 2030. In the absence of the individual, the leadership is at the heart of all that affects the organization's activities (Havermans, Van der Heijden & Storm, 2019).

An organisation, a separate body from the chief, cannot separate the two from each other. In addition, this principle does not encourage democracy; it cannot be assured whether members of the community are autonomous, intelligent or competent in the organisation. Leadership is an obstacle to creativity, innovation and empowerment. The principle is universal and implies that every organization is the same; organizations are special (Liska, 2017). To address the weaknesses of theory, the researcher addressed the effect of organizational leadership on implementation of PC strategy among county government in Kenya. This theory was relevant to the study as it shows the effect of organizational leadership on the implementation of performance contracting strategy among selected county governments of Kenya.

Conceptualization

The plan for performance contracts guarantees that there is an arrangement defining performance expectations or quantifiable goals that a government expects elected officers or

the administration of public departments or ministries to achieve over a given period of time. The common objectives of the performance contracting strategy as part of the performance orientation in government are to explain the aims of service agencies and their interaction with government and to promote results-based performance assessment rather than complying with procedural rules and regulations (Deng, Jiang, Cui, & Zhang, 2015).

The definition of managers, in addition to other characteristics related to disposition and intellectual capability, is indicative of the principles, comportements and abilities. The attributes required for management can be seen as a balance; honesty can be seen as a good stable basis of balance on both sides of respect and duty. Managers' characteristics and their effect on organizational change and efficiency, such as the management generation, preparation, experience, tenure and functional context (Elbanna, Andrews & Pollanen, 2016).

The personal method to leading a group of individuals by having meaning, guidance and inspiration is organizational leadership. There are several leadership techniques that exist today. Three forms of leadership exist: progressive, autocratic and laissez-faire. As defined in the Hersey-Blanchard Situational Leadership Principle, best leadership uses various models in different contexts. In certain organizational contexts, good leadership is not solely dependent on a collection of qualities, attitudes or power, but a wide variety of skills and approaches (Iqbal, Anwar & Haider, 2015).

Participatory leadership aims to include other persons, including perhaps subordinates, peers, supervisors, and other partners, in the process. Inside the immediate squad, most participative events are. Participatory leadership is often referred to as consultation, empowerment, involvement in decision-making, democratic leadership and leadership by priorities and power sharing (Nguyen, Mia, Winata & Chong, 2017). When administrators call for opinions and then dismiss them, participative leadership can be a shame. It is possible that this would lead to cynicism and feelings of betrayal. Kenya has started a value contract in order to reverse the downward trend in service procurement, not just to improve delivery but also to refocus the public service attitude away from a customer-friendly business culture and outcomes (Holten & Brenner, 2015).

In other cases, resistance could occur with respect to the rating scheme, which would imply that no system would cancel the outcome of lumping large and small ministries together. Similar sentiments can be reflected in state corporations that it is inappropriate to rate together state corporations working in separate sectors of the economy. Elbanna, Andrews and Pollanen (2016) states that certain ministries and even state corporations will also choose to be grouped and rated differently despite the implementation of the composite ranking, which allows for comparisons of various ministries and state corporations, citing their individuality arising from their service delivery (industry) regions, size in terms of turnover, number of employees and ranked differently (Popli & Rizvi, 2017).

Transformational leaders are actual leaders who need different talents related to charismatic and innovative leadership. They have a zeal and excitement, bring fresh meaning and take care of initiative. Transformative leadership happens as leaders and supporters work together to achieve higher order or shared purposes (Bacharach, 2018). Here one or more people

communicate with others in such a manner that leaders and supporters lift each other to greater degrees of morality and inspiration. This ensures that the bond between leader and follower is one through which the goal of each becomes merged to establish harmony and common intention. The style of transactional management is more task-oriental than the empirical approach to management (Mwangi, Gakure, Arasa & Waititu, 2017).

The completion of a mission is given proportionate incentives, much like the "carrot and stick" (contingent rewards). The scientific style of management is liked by some scholars. The leaders define enforcement requirements as well as what exists in non-compliance. Close control of anomalies, mistakes and errors, and take corrective steps when events occur (management-by-exception-active) (Holten & Brenner, 2015). The principle of management-by-exception (passive) is another aspect, where leaders make no explicit rules or objectives and take steps only when everything is not going according to the efficacy of the planned events. Passive leadership makes subordinates more likely to avoid initiating change and prefer maintaining status quo (Bacharach, 2018).

Strategic leadership implies organizations' willingness to predict, envisage and retain stability and motivate others to create a strategic advantage for the enterprise and a prosperous future (Mwangi, Gakure, Arasa & Waititu, 2017). The strategic leadership of Bacharach (2018) is described as the ability of a senior manager with knowledge and vision to prepare and carry out and decide in a dynamic, unsecured, complex and uncertain strategic setting. Al Mansoori (2017) suggests that few leaders will understand the policy and the future. Each section of the company – from the business office to the loading portal – should be led by leaders. The willingness of the leaders to establish and reconstruct the reasons for the continued life of the company is also strategic leadership. The leader must be able to look at the existing value-adding of the company and at the developments within and within the enterprise that jeopardize its role or offer a new potential to add value (Holten & Brenner, 2015).

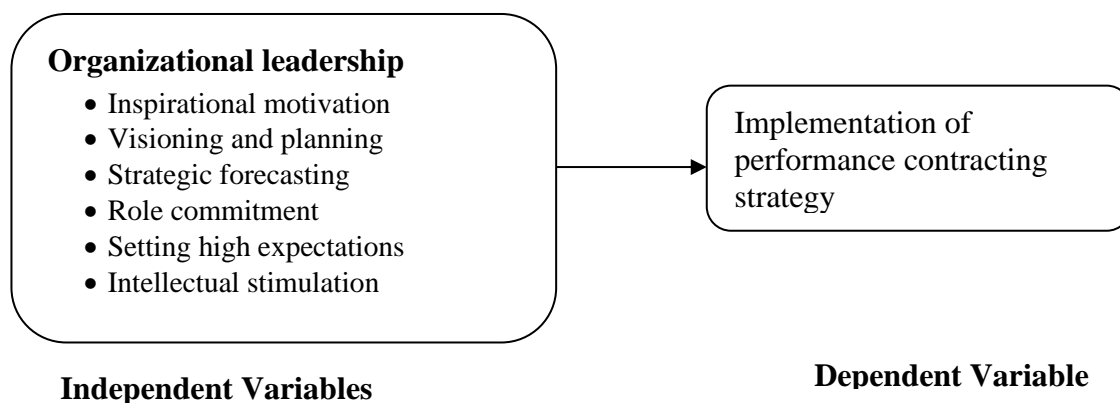


Figure 1: Conceptual Framework

RESEARCH METHODOLOGY

A descriptive research model was utilized in this study. Descriptive research provides the ability for researchers to use both quantitative and qualitative data to find data and

specifications on the group or phenomena studied (Creswell & Poth, 2016). There are many benefits in gathering data for descriptive survey analysis because interviews, findings, questionnaire and attendance can offer a highly multifaceted approach (Patten & Newhart, 2017).

The target population was 963 senior management staff from the selected counties who were hugely involved in implementation of performance contracting strategies. These included head of departments, supervisors and senior managers in various county ministries. These were drawn from the first 3 rated counties based on performance ratings (Makueni County, Kakamega County and Kericho County) and last 3 rated counties based on performance ratings (Wajir County, Samburu County and Busia County) in Kenya. Ratings were drawn from Africa Governance & Research Foundation (2019) ratings for the county government performance. This provided a wide scope for analysis of the implementation of performance contracting strategy in Kenyan county governments. Different counties were used to ensure comprehensive assessment of implementation of performance contracting strategy by counties from across the board.

The 6 counties were purposively selected using Africa Governance & Research Foundation (2019) ratings for the county government performance (First 3 rated counties and last 3 rated counties). From these counties, the study selected the senior management staff using stratified random sampling technique where the counties were the strata. Stratified random sampling is an impartial sampling approach for sorting heterogeneous populations into homogeneous subsets, then make a choice to ensure representativeness within the individual subset. Stratified random sampling was aimed at achieving the optimal representation in the population from different sub-groups. In stratified random sampling, respondents are picked such that existing subgroups in the population are more or less included in the survey (Etikan, Musa & Alkassim, 2016). To choose the respondents in each stratum, the research used simple random sampling.

The sample size is a proportion of the population assumed to be representative of the whole population (Gunpinar & Gunpinar, 2018). By estimating the target population of 963 with a 95 percent confidence level and an error of 0.05 using the Nassiuma (2000) formula, a sample population of 126 was achieved as shown;

$$n = \frac{N (cv^2)}{Cv^2 + (N-1) e^2}$$

Where n = sample size

N = population (963)

Cv = Coefficient of variation (take 0.6)

e = tolerance of desired level of confidence (take 0.05) at 95% confidence level)

$$\begin{aligned} n &= \frac{963 (0.6^2)}{0.6^2 + (963-1) 0.05^2} \\ &= 125.5 \text{ (Rounded off to 126)} \end{aligned}$$

The sample was distributed as shown in Table 1.

Table 1: Sampling Frame

County	Management staff	Sampling Ratio	Sample size
Makueni County	178	0.130	23
Kakamega county	149	0.130	19
Kericho County	204	0.130	27
Busia county	169	0.130	22
Wajir County	127	0.130	17
Samburu County	136	0.130	18
Total	963		126

Using self-administered questionnaires, primary data was collected. The pilot test was performed with 25 Makueni County administration workers who were not included in the analysis using the questionnaire. By random sampling, the pilot group was completed. Kumar (2019) advises that in order to observe the responses and behaviors of the respondent, the questionnaire pre-tests were performed via personal interviews. Peers doing research in different areas and have successfully completed their research projects and supervisors from the Kenya Methodist University were involved in the validation process. The supervisor and three colleagues were given the instruments. The instruments were requested to be checked based on their content and face validity. They pledged to ensure that in each question research goals were established. Further, 25 questionnaires were administered to a pilot group of randomly selected management staff from Nairobi county government and their responses used to check the reliability of the tool. A construct composite reliability coefficient (Cronbach alpha) of 0.7 or above, for all the constructs, is considered to be adequate for this study (Song, Coit, Feng & Peng, 2014). The reliability coefficient of the research instrument was assessed using Cronbach’s alpha (α).

Returned questionnaires were checked for accuracy, cleaned, and useful questionnaires were coded and analyzed using SPSS. After collecting data responses from the questionnaire, the researcher analyzed the quantitative data using descriptive statistics by applying the statistical Package for Social Science (SPSS V.25.0) and presented through percentages, means, standard deviations and frequencies. The qualitative data was labeled and then statistically analyzed. For data of a qualitative nature or component of the data obtained on open-ended questions, content analysis was used. Tables, graphs and prose format were used to show details.

Using multiple regression analysis, inferential data analysis was performed. In order to determine the relations between the independent and dependent variables, multiple regression analysis was used. The multiple regression model has been used since the relative importance of independent variables to the dependent variable is effectively evaluated (Chambers, 2017). When two or three independent variables were used to test a dependent variable in the process multiple regression was applied. The following equation generally was derived from the multiple regression model, as there are four independent variables in this analysis;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Where: -Y= Implementation of performance contracting strategy

β_0 =constant

$\beta_1, \beta_2, \beta_3$ and β_4 = regression coefficients

- X₁= Organizational leadership
- X₂= Manager Competence
- X₃= Communication strategy
- X₄= Managerial diversity
- ε=Error Term

RESULTS AND DISCUSSION

Descriptive Statistics

The research sought to establish the effect of organizational leadership on implementation of performance contracting strategy among selected county governments of Kenya. The researcher required the respondents to indicate the extent that organizational leadership affected implementation of performance contracting strategy among selected county governments of Kenya. Table 2 shows the results.

Table 2: Effect of Organizational Leadership on Implementation of Performance Contracting Strategy among Selected County Governments of Kenya

	Frequency	Percent
Not at all	12	12.4
Little extent	22	22.7
Moderate extent	23	23.7
Great extent	22	22.7
Very great extent	18	18.6
Total	97	100.0

The results reveal that 23.7% of the respondents had indicated that organizational leadership affected implementation of performance contracting strategy among selected county governments of Kenya moderately, 22.7% indicated to a little extent, 22.7% indicated greatly, 18.6% indicated very greatly while 12.4% indicated not at all. This implies that organizational leadership affected implementation of performance contracting strategy among selected county governments of Kenya moderately. This is in line with Iqbal, Anwar and Haider (2015) who stated that good leadership is not solely dependent on a collection of qualities, attitudes or power, but a wide variety of skills and approaches.

The respondents were required to show the degree to which the facets of organizational leadership impact the implementation by some county governments of Kenya of the performance contracting strategy. Table 3 displays the results.

Table 3: Effect of Aspects of Organizational Leadership on Implementation of Performance Contracting Strategy among Selected County Governments of Kenya

	Mean	Std. Dev.
Inspirational motivation	2.928	1.509
Direct Involvement/participation	4.072	1.386
Visioning and planning	3.165	1.231
Strategic forecasting	4.516	0.792
Role commitment	3.845	1.460
Unified vision/Enhancing team-work	4.722	0.887

Setting high expectations	3.227	1.504
Intellectual stimulation	4.526	0.855

From the results, the respondents had indicated that unified vision/enhancing team-work (4.722) very greatly affects implementation of performance contracting strategy among selected county governments of Kenya. Further, intellectual stimulation (4.526); strategic forecasting as shown by a mean score of 4.516; direct involvement/participation (4.072); and role commitment as shown by a mean score of 3.845 were indicated to affect implementation of performance contracting strategy among selected county governments of Kenya greatly. The findings conform to Bacharach (2018) who mentioned that transformational leaders are actual leaders who need different talents related to charismatic and innovative leadership. They have a zeal and excitement, bring fresh meaning and take care of initiative. Transformative leadership happens as leaders and supporters work together to achieve higher order or shared purposes.

Also, the respondents indicated that setting high expectations (3.227); visioning and planning (3.165); inspirational motivation (2.928) affect implementation of performance contracting strategy among selected county governments of Kenya to a moderate extent. Bacharach (2018) agrees that the principle of management-by exception (passive) is another aspect, where leaders make no explicit rules or objectives and take steps only when everything is not going according to the efficacy of the planned events. Passive leadership makes subordinates more likely to avoid initiating change and prefer maintaining status quo.

Regression Analysis

In order to evaluate the relationship between organizational leadership as the independent variable against the dependent variable (implementation of the performance contracting strategy among selected Kenyan county governments), regression analysis was performed. As presented in the subsequent three tables below, the findings were published.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.878 ^a	.771	.761	1.03842

Table 4 is a model fit that displays the relationships between the model equation and the effects. The adjusted R² was used to test the research model's prediction ability and 0.761 was found, suggesting that shifts in organizational leadership explain 76.1 percent of the differences in the implementation of performance contracting strategy among selected county governments in Kenya.

Table 5: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	334.609	1	83.652	77.576	.000 ^b
Residual	99.206	95	1.078		
Total	433.814	96			

The probability value (0.000) suggests that the regression relationship was extremely significant in assessing how the implementation of the performance contracting strategy among selected county governments of Kenya was influenced by organizational leadership. The F calculated at the 5% significance level was 77.576, which demonstrated significance because the F calculated was greater than the F-critical (value = 2.4707) and the p-value was less than 0,05, which was significant for the overall model.

Table 6: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.279	1.918		4.838	.000
	Organizational Leadership	.128	.044	.235	2.932	.004

The regression equation obtained from this outcome was: -

$$Y = 9.279 + 0.128X_1$$

As per the results of the report, it was discovered that if all variables were kept constant at zero, the selected county governments would adopt a performance contracting strategy of 9.279. From the results, the study revealed that a unit increase in organizational leadership among selected county governments of Kenya would lead to a 0.128 increase in implementation of performance contracting strategy. Since p=0.004 was less than 0.05, this variable was significant. Therefore, the null hypothesis that stated that organizational leadership has no significant effect on the implementation of performance contracting strategy among selected county governments of Kenya was rejected. This is consistent with the assertion by Iqbal, Anwar and Haider (2015) that effective leadership relies not only on a set of qualities, attitudes or influence in certain organizational situations, but on a wide range of skills and approaches.

Conclusions

From the findings, organizational leadership affected implementation of performance contracting strategy among selected county governments of Kenya to moderately. The study concluded that organizational leadership had a positive and significant effect on implementation of performance contracting strategy among selected county governments of Kenya. The study concluded that lack of management support is one of the barriers to effective policy implementation in terms of time and resources which directly affects the execution of tasks. The research also established that unified vision/enhancing team-work affects implementation of performance contracting strategy among selected county governments of Kenya very greatly. The study therefore concluded that successful leadership in so many organizational contexts is not strictly dependent on a collection of qualities, attitudes or power, but a wide variety of skills and approaches.

Recommendations

Since, it was concluded that organizational leadership had a positive and significant effect on implementation of performance contracting strategy among selected county governments of Kenya, the study recommends that the county governments' leadership to put in place mechanisms for rewarding high performers whose target achievement is above expectation and reprimand those employees whose performance is below expectation. This will motivate the high performers and encourage those employees whose performance has been below expectation that translates to the low composite score of the county governments.

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