

Influence of Performance Indicators on Acceptance of Performance Contracting among Secondary School Teachers in Kenya: A case of Meru Central District

*Mugambi Hellen N.
St. Paul's University*

Abstract

Measuring performance is a key strategy for organizational success. If performance of an employee is not quantified, one cannot be certain that there is any value gained from employee. Performance contracting is a concept that is used in Kenya to manage performance of employees. The contracting parties freely negotiate performance agreement which clearly specifies the intentions, obligations and responsibilities of the contracting parties. Performance contracts are gauged against an agreed set of indicators that provide a clear framework for establishing accountability. In Kenya it is a requirement for all civil servants to sign performance contracts. To date, the secondary school teachers have not yet fully accepted to sign performance contracts. The study, therefore, sort to establish the extent to which, performance indicators influence acceptance of performance contracting by secondary school teachers in Kenya, a case of Meru Central District. To achieve this objective, the study adopted descriptive research design. The study covered all the twenty one (21) public secondary schools in Meru Central District. The target population was all the government employed teachers within Meru Central District. A sample of thirty percent (30%) of teachers was picked from each of the 21 schools by use of simple random sampling. Primary data was collected by use of structured questionnaires and existing relevant documents were perused for secondary data. The data was analysed using descriptive and inferential statistics. This was done by use of the Statistical Package for Social Sciences (SPSS). Results were presented in charts, graphs and tables. The study findings indicated that performance indicators influenced acceptance of performance contracting by the secondary school teachers. The study concludes there is a positive relationship between performance indicators and acceptance of performance contracting by secondary school teachers.

Key Words: Performance Contracting, Performance indicators, Secondary Schools

Introduction

Performance can be regarded as any behaviour that is directed towards task or goal accomplishment. Performance management is a comprehensive, continuous and flexible approach to management of organizations, teams and individual performance (Armstrong & Baron, 2007). The overall purpose of performance management is to contribute to high performance of the organization and its people. Different organizations use different tools in managing performance. One of such tools commonly used by public as well as private institutions is performance contracting. According to GoK (2007), a performance contract is a management tool for measuring negotiated performance targets.

Performance Contract is a fraction of the emerging public sector reforms that is meant to improve competence and efficacy in management and service delivery. It is an acclaimed tool for ensuring accountability and efficiency of public officers because it measures the extent to which the agreed targets are achieved. Therefore, Performance Contract can be defined as a liberally negotiated performance treaty between the management of the agency and the government, standing in as the owner of a government agency. It stipulates the intentions, obligations and responsibilities of the two contract parties that are geared towards achieving the mutually agreed results (Performance Contracting Steering Committee Kenya, 2005).

Global Perspective of Performance Contracting

A contract is a legal agreement between two parties in which one promises to perform some specific act or acts in return for a consideration of value from the other.

Performance contracting system originated in France in the late 1960's and other countries such as India, Pakistan, and Korea have accepted performance contracting since then (Organization for Economic Corporation and Development (OECD), 1997). The concept of performance contracting has taken a global dimension and is now being practiced in more than thirty (30) developing countries (Nafukho, Kobia & Nura, 2009).

In Asia, performance contracting is now applied in Bangladesh, China, India, Malaysia, South Korea, Pakistan and Sri Lanka. In Africa performance contracting has been implemented in both public and private enterprises in countries such as Benin, Burundi, Cameroon, Ghana, Guinea, Madagascar, Mali, Mauritania, Morocco, Niger, Senegal, Togo, Tunisia, and Zaire. In South America, performance contracts are used in Argentina, Brazil, Chile, Colombia, Mexico, Uruguay and Venezuela. In European countries such as the UK, the Netherlands, France, Italy, Denmark, and Finland, performance contracting is also used, as is the case in North America, USA and Canada (Nafukho *et al* 2009).

A study done by Public Service Commission, (2009), to give a report on analysis of performance agreement as an effective performance management tool, results of various sampled countries indicated that these countries actually use performance agreement to manage their public as well as private institutions. For example, the UK civil service uses a system whereby each department produces a Public Service Agreement (PSA) which serves as the basis for the senior managers' performance measurement (OECD, 2007). A PSA specifies the objective of department and outlines specific targets that need to be achieved in this regard.

In the Australian Public Service (APS), the use of performance agreement is part and parcel of performance management system and is compulsory for Senior Executive Service (SES). The New Zealand Public Service (NZPS) is generally known for its drastic reforms enacted through legislation in the 1980's. During the 1980's, the NZPS implemented arguably one of the most far reaching public service reforms in the world. Performance Agreement used for the Chief Executives (CEs) focused on the specific outputs that each CE would have negotiated with their minister. In the US, as in other countries, departments developed strategic plans which in turn served as the basis for performance agreement with individual senior managers (OECD 2007).

According to a report by Log Associate (2010), use of performance contracting has been acclaimed as an effective and promising means of improving performance of public enterprises as well as government departments all over the world. Performance contracting with the government departments is being used extensively in the Organization for Economic Corporation and Development (OECD) countries to improve delivery of public service and effectiveness of government machinery (GoK, 2010). The same report indicates that many countries have had success in improving performance of their own public sector by designing performance contracts after carefully examining and adapting to their particular needs from the lessons of vast international experience with regard to performance contracts.

However, according to Donald (2000), performance contracting in education was not fully embraced by learning institutions. There was unprecedented and almost unbalanced surge in the growth of performance contracting for public schools.

As Gordon, a superintendent of schools in Gary, Indiana, puts it, "... there is the great temptation to plunge into performance contracting without due consideration of the techniques and applicability to the schools system..." he went on to say a poorly designed performance contracting system/program can prove financially dangerous, organizationally disruptive and educationally destructive.

It is therefore vital to examine the possible problems that may hinder successful implementation of performance contracting system in schools. This is a clear indication that resistance to acceptance of performance contracting especially in the learning institutions is a global concern.

Performance Contracting in Africa

In the last two decades, most African countries have embarked on comprehensive public sector reforms programmes, and in many cases they have received assistance from international institutions. According to Economic Commission for Africa (ECfA), Public Sector Management reforms are a central feature of Economic Policy Reform Program (EPRP) (ECfA, 2003). Since the 1980's, many countries have been embarking on public sector management reforms.

The role and institution character of the State has been questioned, and the public sector has been under pressure to accept private sector orientations of adopting performance contracting. The earlier reforms aimed at shaping a public administrator that could lead to national development, and they were based on some institutional peculiarities inherited from the colonial period. More recently, other donors in Africa have been concerned with finding alternative ways of organizing and managing the public services and redefining the role of the state to give more prominence to markets and competition to the private and voluntary sector (ECfA, 2003).

Ghana is one among other African countries that has successfully implemented performance contracting (World Bank (WB), 2002). The WB report also reveals that the reforms to implement performance contracts in Ghana began with dialogue, which involved major stakeholders including general public communities and government officials. The dialogue resulted into a policy. To ensure success of the policy several large pilot projects from different part of the country were carried out. Lessons learnt from the pilot study were incorporated into the national performance contracts program aimed at ensuring project success.

Another African country that successfully implemented use of performance contracting in the Public Service is Swaziland. Performance contracts of the early 1990's in Swaziland failed to achieve their stated objectives because of widespread of use of consultants in the formulation of contract plans, including their determination mechanism for their monitoring and evaluation. As a result, many public servants were hesitant to sign performance contracts. This resistance was also attributed to failure of the Public service management to develop a necessary sense of ownership and commitment to the success of the enterprise contracts (Musa, 2001). However, after involving all stakeholders to performance contracting, implementation was successful. Nyamu (2007) argues that all government agencies in Africa need to implement performance contracting to remain viable through quality services to their customers. Performance contracting can play a major role in building customer loyalty based on customer satisfaction.

Performance Contracting in Kenya

As said earlier, performance contracting system originated in France in the late 1960s. It was later developed in Pakistan and Korea and thereafter introduced to India (Odhiambo, 2009).

It was later accepted by developing countries in Africa, including Nigeria, Ghana, Gambia as well as Kenya. Performance contracting has been identified by both public and private sectors as an effective way of providing and acquiring goods and services within available budgetary resources (Waal de, 2008).

In Kenya, performance contracting is part of the broader public sector reforms aimed at improving efficiency and effectiveness in management of public service (Muthaura, 2007). According to Panel of Experts (2010), performance contracting in Kenya is a hybrid system that has borrowed from international best practices and the balance scorecard.

Performance contracting and evaluation system best practice were drawn from: South Korea, India, China, USA, UK, Malaysia and Morocco but domesticated to suit the local context. Panel of Experts (2010) note that in Kenya, performance contracting can be said to be a freely negotiated performance agreement between the government and the respective ministry, department or agency which clearly specifies the intentions, obligations and responsibilities of the two contracting parties. Muthaura (2007) contends that performance contracting in Kenya was born out of recognition that quality of an effective government cannot be lower than that of its clients, who are the citizens and the public at large.

The concept of performance contracting was introduced in the management of State Corporations in 1989. A Parastatal Reform Strategy Paper (PRSP) was first approved by cabinet in 1991, and was the first official recognition of the concept of performance contracting as part of the policies recommended to streamline and improve the performance of State Corporations (Nafukho, Kobia & Nura, 2009).

The first two government corporations to be on performance contract were Kenya Railways Corporation and National Cereals and Produce Board that signed their performance contracts in November 1990.

However, the introduction of performance contracting in the two corporations failed due to the following reasons: lack of political goodwill to drive this process; the performance agreement did not conform to the requirements of the three subsystems of performance and there was no provision for the impact of external factors such as change rate, fluctuations that would have made evaluation fair (GOK, 2005). The GOK decided to re-introduce performance contracting in 2003.

The initiative to introduce performance contracting, came from the then President of Kenya, Mwai Kibaki, and was clearly spelt out in the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) (Nafukho, Kobia & Nura, 2009). It was introduced as a management tool to create accountability to the public for results (Kobia, 2006). In August 2003, the GOK appointed a committee to spearhead introduction and implementation of performance contracting namely the Performance Steering Committee (PSC). The government made a decision to introduce performance contracting in State Corporations on a pilot basis in 2004 (Nafukho, Kobia, & Nura, 2009). Kobia (2006) indicates that performance contracting expanded from a pilot group of 16 public enterprises in 2004, to eventually cover the public services in Kenya comprising of thirty eight (38) ministries and accounting departments; one hundred and thirty (130) public enterprises and one hundred and seventy five local authorities. Accordingly, five major municipalities completed performance contracting on 30th September 2005 on a pilot basis (Kobia, 2006).

Performance Contracting for Teachers

Performance contracting for teachers originated from the perception that performance of the public schools has been constantly below expectation of the public (Odhiambo, 2008). In Kenya, performance contracting in learning institutions is part of broader educational reforms aimed at improving efficiency and effectiveness in teaching and management of public schools (Odhiambo, 2008). Performance contracting is a new development in schools in Kenya especially in secondary and primary schools. Information obtained from Ministry of Education indicates that performance management in public primary and secondary schools in Kenya has been done and still being done by school inspectors.

These inspectors visit schools once or twice in a term to evaluate teachers' performance. However, there is no actual document where the teachers set the targets to be used during their evaluation. The area of interest of the school inspectors is scheme of work, lesson plan, content coverage, enrolment capacity, and performance of students at KCSE national examinations. They also look into procurement procedures, expenditure and general working and learning environment of the institution (Ministry of Education Science & Technology, 2012). This applies to all public primary and secondary schools in Kenya. There is no evidence of any public secondary school teacher having signed a performance contract.

The Government of Kenya has indicated clear intentions to introduce performance contracting to all teachers. Teachers being civil servants are required to sign performance contracts just like all other public service workers. This is in line with global trends where employees in private and public sectors work on clearly defined targets.

This assists in accountability and goes a long way in supporting global labour trends whose intention is to make employees feel a sense of ownership.

However, this issue of performance contracting for teachers and in general in learning institutions in Kenya has dominated public discourse and requires sober examination. For instance, in Kenya's seven public universities, Vice Chancellors were among the first public service employees to sign five year performance contracts, however the academic university staff union (UASU) objected (Nafukho, Kobia & Nura, 2009). When the Teachers Service Commission (TSC), a government organization responsible for employment of teachers serving in the public schools wanted to introduce performance contracting in 2007, Kenya National Union of Teachers (KNUT) strongly objected and the decision was shelved (Nafukho, Kobia & Nura 2009).

Cheruiyot (2008) also quoted KNUT saying that it would resist attempts to subject teachers to the performance contracting policy and consequently told its members, teachers, not to sign the performance contract document that may be brought their way. Nyamu (2007) pointed out that when KNUT declares that it will not accept the publicly acclaimed performance contracting strategy, many professionals are baffled as to whether the teaching fraternity appreciates the seriousness of their open confrontation with the public policy declaration. To this end, the giant and influential teachers union, KNUT has not signed the performance contract. In May, 2012, members of parliament brought the same issue on the floor of the parliament for debate; however, there was no consensus on that matter. The House Parliamentary Committee on Education, Science and Technology insisted it was time that teachers' embraced performance contracting just like all other civil servants (The Standard Newspaper, 14th May, 2012).

What is being demanded from the teachers by the government is performance of every teacher to be followed just like in any other civil servant in the Republic of Kenya today. Previous efforts by TSC to introduce the management monitoring tool flopped after resistance by teachers' unions and associations.

As Will & Suzzane (2008) put it, it is inevitable that one finds resistance to the performance measurement process, usually in the development phase. It is human nature to resist change especially where performance measurement exposes weak areas in employee performance and where accountability is stressed. Will and Suzzane (2008) also points out that performance measurement succeeds where the organization's strategy and performance measurement are aligned, and where senior management convey the organization's mission, vision, values and strategic decisions to employees and external stakeholders.

They further say the employees and their raters must have a clear understanding of the purpose of performance management and use of performance measurement tools such as performance contracting.

Ndirangu & Oduto (2011) noted that overcrowding lecture rooms and inadequate teaching resources are likely to impact negatively on teachers and pupils' performance. Herman (2009) argues that employees may perform differently put in different situations hence different results. When the result of employees' performance is beyond his control then it makes no sense to use the same performance indicator to evaluate the performance of an employee. Lee (2006) contends that an effective performance management system is one that takes a holistic approach, not over-emphasising one aspect at the expense of others.

Performance contracting for teachers in Kenya is part of the broader public sector reforms. Teachers in the public service cannot wish away performance contracting.

They should embrace it for efficiency and effectiveness of their service delivery as well as accountability to the public who are the stakeholders. It is for this reason that this study sort to determine the extent to which performance indicators influence acceptance of performance contracting by employees, with special interest on secondary school teachers in Kenya.

Performance Indicators

A study by Teaching and Learning International Survey (TALIS), on creating effective teaching and learning environments indicated that the framework for evaluation of education in schools and for appraisal and feedback of teachers are key concerns. Evaluation can play a key role in school improvement and teacher development (OECD, 2005).

Identifying strengths and weaknesses, making informed resource allocation decisions, and motivating actors to improve performance can help achieve policy objectives such as school improvement, school accountability and school choice (OCED 2009).

Various scholars who agree in a knowledge society reliance on academic performance as the sole measure of a school's success could be seen as particularly short sighted. The focus should be on quality of teaching systems used rather than on students' examination results. Examination should be diagnostic tool for assuming the quality of the teaching system.

In Kenya Education Master Plan for Education and Training (1997-2010) indicates that quality is not mere passing examination or certification, but the development of independent analytical, creative potential of individual; including critical imagination, spiritual and ethical values.

Saitoti (2003) concurs with the master plan when he said that quality education should shift from merely passing exams to encompass the discovery of talents, development of analytical, cognitive and creative potential.

Githua (2004) could not agree more when he said that the criteria for performance evaluation includes the quality of learning environment, educational experiences and outcome.

Performance based contracting is a results-oriented contracting method that focuses on the outputs, quality, or outcomes that may tie at least a portion of a contractor's payment, contract extensions, or contract renewals to the achievement of specific, measurable performance standards and requirements. It is a management contract tool with a clear set of objectives to be achieved within a given period (Armstrong, 2007). Currently, management and control of secondary education is vested on Boards of Management. In line with government policy and PC guidelines, secondary school principals and their staff are expected to anchor their strategic plans on a contract and select performance indicators upon which the performance will be measured (GoK, 2010).

Wragg, Haynes, Wragg, & Chamberlin (2005) in their research on "implementing performance management in England's primary schools" found out that there was a problem in using students' performance as an indicator of teachers' performance. The difficulties include: statistical uncertainty especially in the case of small classes; the fact that few schools use measures of year-on-year value added progress for all year groups; some classes are taught by more than one teacher; some teachers have great access to teaching assistants than others; some parents use part-time private tutors to boost their children's performance;

some students experience personal or family problems which may affect their performance, again, performance is not measured for majority of the subjects taught; and test scores do not take into account of the fact that teachers' job responsibilities usually include more than the academic performance of their pupils.

Radiah & Fatimah (2009) carried out a research in collaboration with Universities Teknologi MARA and Prime Ministers exchange fellowship programme in Malaysian schools. This research focused not only on examination results but also their operational efficiency and effectiveness. The research reveals that in Malaysia, schools are evaluated using an evaluation instrument that has twelve elements under the following four dimensions; leadership, organizational management, educational programme management and student performance. This shows that it is important to have different performance indicators that will truly capture the performance and in-put of each individual especially in educational environments.

According to Lee (2006) in his research on measuring performance in the public sector, a case study on public schools in Malaysia, an effective performance management system is one that takes a holistic approach, not over-emphasizing one aspect at the expense of the other. One of the problems of teachers' appraisal is the difficulty of defining good performance because effective teaching is a multi-dimensional task comprising many intangible aspects. Teaching output is also a joint effort of many instructors and the individual contribution of any one teacher is not easy to disentangle. According to research findings by Khim *et al* (2007), fairness of the performance appraisal system and clarity of appraisal criteria are related to a greater satisfaction with appraisal system, and more positive attitudes towards performance management. The criteria should be clearly communicated to and understood by teachers.

Involving teachers in developing the appraisal system increases the chances that the appraisal system would better meet the needs of the teachers and that realistic performance expectations would be established. Teachers who are evaluated based on criteria that cannot be affected by their actions are likely to be frustrated, demoralized, and become critical of the system (Khim *et al*, 2007).

Billy, Edwin, Oscar, and Lucas (2010) did a research on performance indicators in the Kenyan hospitality industry, in which they were investigating the impact of managerial characteristics on key performance indicators in the Kenyan hotel industry. A cross-sectional survey research design was used to gather primary data using self-administered questionnaires.

A sample of one hundred and sixty hospitality managers was selected proportionately by simple random sampling from six hotels in Nairobi and Mombasa. Specifically, the study focused on level of use of performance indicators and levels of importance attached to performance indicators in the Kenyan hospitality industry.

They concluded that performance indicators are overwhelmingly dominated by result indicators, thus focusing management attention even further towards the results of the past actions rather than toward determinant of the future success. They suggested that hotels need to invest in a comprehensive performance management system suitable for Kenyan hospitality industry that will incorporate both financial and non-financial measures. This can also apply to schools, where emphasis should not be laid on student performance more than any other indicators of teachers' performance. The appraisal of teachers should focus on the performance and not the personality. Generally speaking, the appraisal should focus on the following items: teaching and teaching-related duties, non-teaching duties, professional and personal competence.

Each teacher should have a job description outlining his/her responsibilities and scope of work.

This can serve as a reference in deciding the areas of appraisal.

The performance standards should be clear, appropriate and with reference to all important aspects of teaching and not be limited to only a part of what teachers do. Schools should draft the structure and implementation strategy of the appraisal system according to the situation, characteristics and culture of the school (Education and Manpower Bureau, 2003).

The studies reviewed suggest that performance indicators influence acceptance of any performance management system, performance contracts included. Therefore there is need to use balanced range of measures which are linked to objectives and strategic intent of specific schools. It should also be noted that performance measurement should not focus only on financial and results measures but should also focus their attention on non-financial and determinate measures. Performance contracting by teachers has not yet been accepted in Kenya.

From the literature review carried out, no study has addressed the issue of acceptance of performance contracting by teachers in Kenya. This is the research gap that called for this research, thus this study provides this knowledge to the policy makers in education.

Significance of the Study

In Kenya, performance contracting in learning institutions is part of the broader educational reforms aimed at improving efficiency and effectiveness in teaching and management of public schools (Odhiambo, 2008). The findings of this study will be an eye opener to the policy makers.

The information generated by this study will enable educational policy makers to address issues hindering teachers to accept performance contracting, hence reaching an amicable agreement.

They will be aware of the pertinent issues that may be the cause of persistent resistance among teachers to accept performance contracting. The study is also beneficial to the Government of Kenya and all education stakeholders.

The government will receive value for their money if performance management is implemented by all learning institutions. Good performance of teachers will trickle down to good performance of the students and in the long run enhance national manpower.

Research Objective

To determine to what extent performance indicators determine acceptance of performance contracting among secondary school teachers in Kenya.

Methodology

Cooper & Schindler (2008) define a research design as a blueprint for fulfilling objectives and answering questions. Conventionally, the appropriate design depends on the objective of the research and the required data (Peterson, 1982). Therefore, to address the objective of this study, a descriptive research design was adopted. A descriptive research design describes data and characteristics about a population or a phenomenon.

Robson (2002) also supports descriptive research design as one which portrays an accurate profile of persons, events or situations. By virtue of the specific objectives, data emanated from the questionnaires and these enabled several characteristics of interest to be measured, thereby justifying use of the descriptive research design.

The study locale was Meru Central District, with a focus on all the 21 public secondary schools in the district at the time of data capture. Statistics available from the Ministry of Education, Kenya indicate that there were Two Hundred and Thirty Nine (239) government teachers in the district (Ministry of Education Science and Technology, 2011).

According to Hyndman (2008) and Marczyk, DeMatteo & Festinger (2005) a sample is a subset of population to be studied. Ader, Mellenbergh, & Hand (2008) suggest that one of the main advantages of using a sample is that it minimises cost, improves speed, and enhances accuracy and quality of data. Sampling is the activity of selecting a sample from a target population.

A sample of thirty percent (30%) of teachers was picked from each of the 21 schools. The idea was to identify a logical sampling fraction which the sampler fixed at 30% inclusive of the head teacher. This sampling fraction of 30% was arrived at basing on results from the Laws of Large Numbers. (The Central Limit Theorem). This technique ensured that all schools were proportionally and adequately represented (Borg & Gall, 1989; Wiersma, 1995).

The study used structured questionnaires, with both open and closed ended questions to collect data. A questionnaire is a method of data collection in which respondents provide a written answer to written questions (Gall, Gall & Borg, 2007). The study utilised correlation and regression analysis to establish relationships between performance indicators and the acceptance of performance contracting among secondary school teachers in Meru Central District.

To address the study question, the study checked whether the regression coefficient of performance indicators was positive with a significant p-value of greater than .05, in line with the theory and study expectations.

The data collected was analysed using descriptive statistics such as means and factor analysis. The study also utilized inferential statistics such as multiple regression modelling to study the casual relationship among all variables in the model. Analysis of variance (ANOVA) was used to identify significance difference in responses to factors that exist among the respondents. The measures were calculated using statistical package for social science (SPSS 20) software.

The findings were presented in form of bar graphs, pie charts and tabulated reports. The relationship in the research question was determined using the regression model.

$$Y = \beta_0 + \beta_2 X_2 + \varepsilon$$

Where

Y= Acceptance of Performance Contracting

X₂= Performance Indicators

In the model β_0 = the constant term while the coefficient $\beta_{2= 1...4}$ was used to measure the sensitivity of the dependent variable. ε is the error term which captures the unexplained variable in the model.

Results and Discussions

The objective of the study was to determine the extent to which performance indicators influenced acceptance of performance contracting by secondary school teachers in Meru Central District. The result indicates that 79% agreed that the school had strategic objectives, 85% agreed that they were involved in coming up with strategic objectives through group representation, 77% agreed that it was difficult to come up with common objectives for all teachers and 81% agreed that they wish they were involved in coming up with the strategic objectives.

Ninety percent of the respondents agreed that the appraisal criteria was considered to be biased, 93% agreed that the performance indicators for teachers were not clear to all and 61% agreed that it was difficult to agree on common performance indicators for teachers.

In addition, 91% agreed that it was not appropriate to use examination performance alone as performance indicators for teachers, 82% agreed that the performance indicators used did not fully capture the performance of a teacher, 94% agreed that there was need to review the performance indicators to be all inclusive of what the teacher does and 89% agreed that quality of teaching cannot be fully measured since teaching was affected by other factors beyond the teachers control. The mean score for the responses for this section was 4.15 which indicated that majority of the employees agreed that performance indicators were a key determinant in performance contracting acceptance by secondary school teachers. The findings imply that effectiveness of performance indicators influenced acceptance of performance contracting by secondary schools teachers in Kenya.

The findings are in line with those in Richmond (2010) whose report on “Guideline for uniform performance standards and evaluation criteria for teachers” points out that performance indicators provide an answer to what must be performed. However, not all performance indicators are applicable to all teachers. Some teaching positions may need to have specific performance indicators that are consistent with job requirement and school improvement plans.

Results also collaborate with those in Sinkovic, Currie and Bevanda (2011), in their study on “From Information Technology to Balance Score Card: The Importance of Culture in Implementing a Performance Measurement System in Croatia India”. They emphasized on the importance of adjusting performance measurement systems to the specific cultures in developing countries as well as modifying performance indicators to suit specific culture, environment and circumstances. Different schools have different characteristics which then call for specific indicators for specific schools and situations.

The study findings are consistent with those in Karsten, Visscher, and De Jong (2001) who carried out a study in England and France on “The Unintended Effect of the Publication of school performance data in England and France, Comparative Education. Their study findings indicate that performance management objectives should be specific, measurable, challenging and relevant. The objective of the head teacher should be able to cascade down to the other teachers in order that the former objectives are achieved through the latter’s whole school team effort. The extent to which objectives are quantitative versus qualitative, process versus outcome oriented and measurable by objectives versus subjective means will determine the acceptability of performance management tool.

The results of this study are also supported by Wragg, Haynes, Wragg, & Chamberlin (2005). In their research on “implementing performance management in England’s primary schools, they found out that there was a problem in using students’ performance as an indicator of teachers’ performance. The particular problems in this regard include: statistical uncertainty especially in the case of small classes; the fact that few schools use measures of year-on-year value added progress for all year groups; some classes are taught by more than one teacher; some teachers have greater access to teaching assistants than others; some parents use part-time private tutors to boost their children’s performance; some students experience personal or family problems which may affect their performance, again, performance is not measured for majority of the subjects taught; and test scores do not take into account of the fact that teachers’ job responsibilities usually include more than the academic performance of their pupils. Therefore, it can be concluded that there is a problem of appraising teachers since it is difficult to define good performance because effective teaching is a multi-dimensional task comprising many intangible aspects.

It is also difficult to come up with uniform performance indicators for all teachers. Teaching output is also a joint effort of many instructors and individual contribution of any one teacher is not easy to disentangle.

Table 1 shows the factor analysis results for statements regarding performance indicators and acceptance of performance contracting and all the eleven statements attracted a coefficient of more than 0.4 hence were retained for further analysis.

Table 1: Performance Indicators Factor Analysis Component Matrix

Statement	Component
The school has strategic objectives.	0.514
We are all involved in coming up with strategic objectives.	0.517
It is difficult to come up with common objectives for all teachers.	0.501
I wish I am involved in coming up with the strategic objectives.	0.624
The appraisal criteria is considered to be biased.	0.609
The performance indicators for teachers are not clear to all.	0.606
It is difficult to agree on common performance indicators for teachers.	0.426
It is not appropriate to use examination performance alone as a performance indicator for teachers.	0.546
The performance indicators used do not fully capture the performance of a teacher.	0.429
There is need to review the performance indicators to be all inclusive of what the teacher does.	0.611
Quality of teaching cannot be fully measured since teaching is affected by other factors beyond the teachers control.	0.510

The researcher sought to establish whether the respondents would have opted to be evaluated using the students' performance only. They showed that 98% of the respondents indicated they would not like to be evaluated using students' performance only.

Evaluation Using Students' Performance only

The researcher further sought to establish from the respondents whether it was important that performance evaluation criteria ought to be clear to all parties to performance contracting before acceptance of performance. The finding shows that all (100.0%) the respondents found it important that performance evaluation criterion ought to be clear to all parties to performance contracting before acceptance of performance. The researcher also sought to find out if performance contracting was acceptable by teachers if performance indicators were viewed as standard and agreed upon by all parties. From the study, majority (86.2%) the respondents said that performance contracting was acceptable by teachers if performance indicators were viewed as standard and agreed upon by all parties.

Relationship between Performance Indicators and Acceptance of Performance Contracting

Figure 1 shows the scattered plot of performance indicators and acceptance of performance management. The figure reveals that a positive relationship exists between the two variables. Therefore, an increase in effectiveness of performance indicators influences acceptance of performance contracting by the Kenyan secondary school teachers.

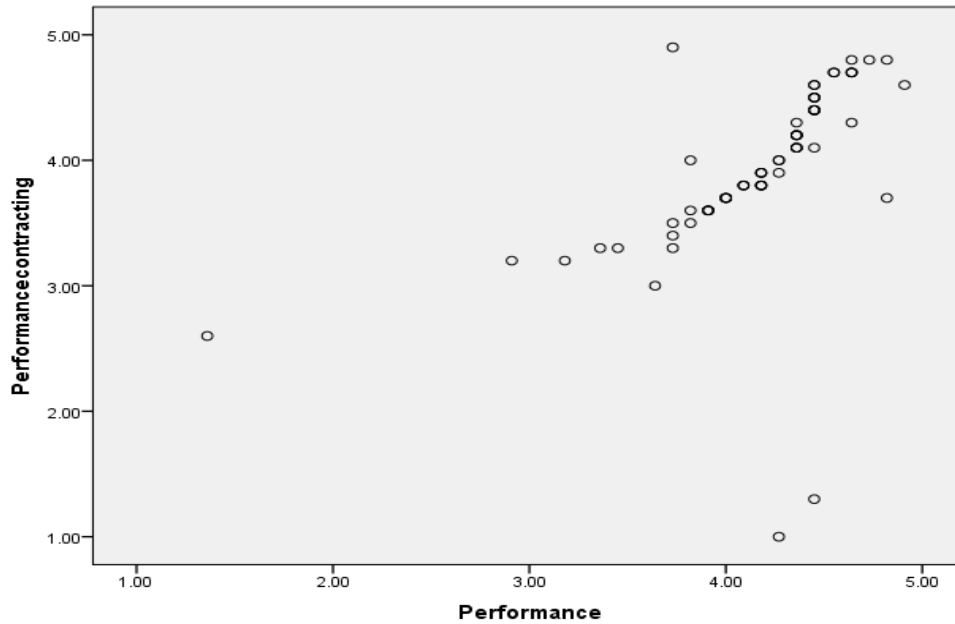


Figure 1: Scatter Plot Relationship between Performance Indicators and Acceptance of Performance Contracting

Table 1 displays the results of correlation test analysis between the dependent variable (acceptance of performance contracting) and performance indicators. Results on Table 8 show that acceptance of performance contracting was positively correlated with performance indicators. This reveals that any positive change in performance indicators led to increased acceptance of performance contracting.

Table 1: Relationship between Performance Indicators and Acceptance of Performance Contracting

Variable		Performance contracting	Performance
Performance contracting	Pearson Correlation	1	
	Sig. (2-tailed)		
Performance Indicators	Pearson Correlation	0.516	1
	Sig. (2-tailed)	0.000	

A graphical illustration of the relationship between performance indicators and acceptance of performance contracting was presented in figure 2.

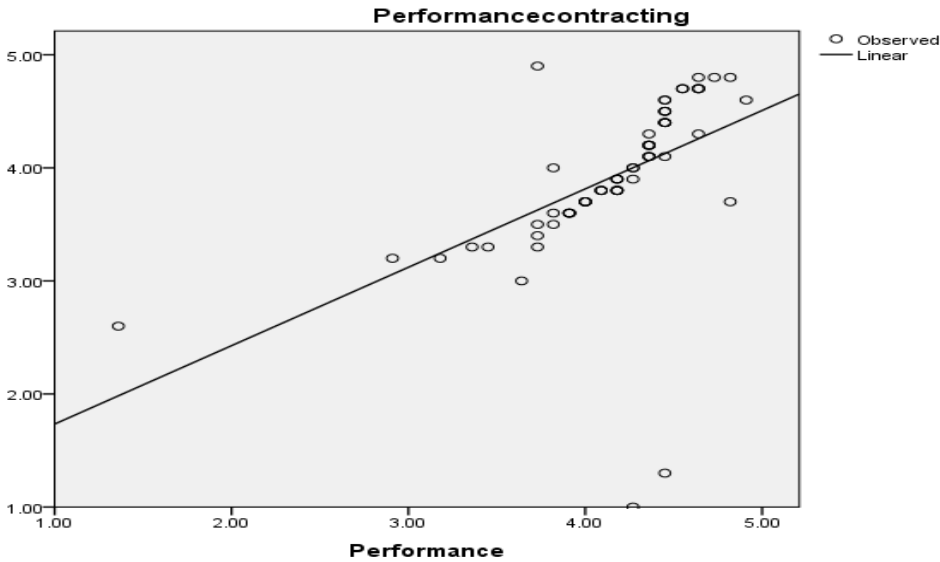


Figure 2: Linear Relationship between Performance Indicators and Acceptance of Performance Contracting

Regression analysis was conducted to empirically to determine whether performance indicators were a significant determinant of acceptance of performance contracting by employees in Kenyan secondary schools. Regression results in table 2 indicate the goodness of fit for the regression between performance indicators and acceptance of performance contracting was satisfactory. An R squared of 0.266 indicates that 26.6% of the variances in the acceptance of performance contracting by teachers in secondary schools are explained by the variances in the performance indicators. The correlation coefficient of 51.6% indicates that the combined effect of the predictor variables have a strong and positive correlation with acceptance of performance contracting.

Table 2: Model Summary for Performance Indicators

Indicator	Coefficient
R	0.516
R Square	0.266
Std. Error of the Estimate	0.61096

The overall model significance was presented in table 3. An F statistic of 22.846 indicated that the overall model was significant. This was supported by a probability value of (0.000). The reported probability of (0.000) is less than the conventional probability of (0.05). The probability of (0.000) indicated that there was a very low probability that the statement “overall model was insignificant” was true and it was therefore possible to conclude that the statement was untrue.

Table 3: ANOVA for Performance Indicators

Indicator	Sum of Squares	df	Mean Square	Sig.
Regression	8.528	1	8.528	0.000
Residual	23.516	63	0.373	
Total	32.044	64		

Table 4 displays the regression coefficients of the independent variable (acceptance of performance contracting). The results reveal that performance indicators, with a positive beta coefficient, are statistically significant in explaining acceptance of performance contracting by employees in secondary schools. An increase in effectiveness of performance indicators influences acceptance of performance contracting by secondary school teachers. There exists a positive relationship between the two variables. Therefore, performance indicators to some extent influence acceptance of performance contracting by secondary school teachers in Kenya.

Table 4: Regression Coefficient for Performance Indicators

Variable	Beta	Std. Error	t	Sig.
Constant	1.041	0.607	1.714	0.091
Performance Indicators	0.693	0.145	4.78	0.000

Conclusions

The objective was to determine the extent to which performance indicators influence acceptance of performance contracting by Secondary school teachers in Meru District. To achieve this objective, descriptive statistics, regression analysis and analysis of variance were conducted. Results indicated that performance indicators in secondary schools in Kenya had an influence on acceptance of performance contracting by teachers. However, the relationship was not very strong, meaning there could be other factors that may have a strong influence on acceptance of performance contracting by secondary school teachers.

Though the study showed that the schools had strategic objectives, it was difficult to come up with performance indicators for all teachers. Teachers also wished they were involved in coming up with the strategic objectives. The employees also felt that the appraisal criteria used was biased, the performance indicators for teachers were not clear to all teachers and it was difficult to agree on common performance indicators for teachers. The teachers strongly felt that it is not appropriate to use examination performance alone as a performance indicator since this alone does not fully capture performance of a teacher. There was also a general agreement that quality of teaching cannot be fully measured since teaching is affected by other factors beyond the teachers' control. Teachers should also be supported with the necessary resources that would enable them to achieve their performance objective. At the same time, performance indicators should be viewed as standard and agreed upon by all parties.

From the findings it is clear that performance indicators are an issue of concern to teachers in relation to performance contracting. One of the key issues to be addressed for teachers to accept performance contracting is performance indicators. These findings therefore confirm that to some extent, performance indicators influence acceptance of performance contracting by teachers in secondary schools in Kenya.

Recommendations

Performance contracts are gauged against an agreed set of indicators that provide a clear framework for establishing accountability. Indicators can be defined as ‘a set of key measures that help you define and track progress towards your objectives. Performance management objectives which the headteacher and the teachers receive should be sufficiently specific, measurable, relevant and challenging. The methods of evaluation and the performance indicators accepted to measure the performance management objectives of the headteacher and the teachers should be sufficiently varied and fair. Performance contracting in regard to student achievement requires that the outcome of the contractor’s efforts can be specified and measured adequately. The management should consider attaching performance contracts with rewards and/ or sanctions to the attainment of the goals attached to these indicators. It is also important that teachers are involved in coming up with the strategic objectives which inform their performance contract. This would help in coming up with very clear performance indicators that are acceptable by all teachers. By so doing performance appraisal criteria would be considered to be unbiased. It should also be noted that there are other factors that influence teaching, thus, they should be taken into consideration when making decisions on performance indicators.

Therefore, identifying and agreeing on indicators should be taken as a critical part of the performance contracting process.

References

- Ader, H.J., Mellenbergh, G. J., & Hand, D.J. (2008). *Advising on research methods: A consultant's companion*. Huizen, the Netherlands: Van Kessel.
- Armstrong, M., & Baron, A. (2007). *Managing performance: Performance management in Action*. Chartered Institute of Personnel Development: London
- Armstrong, M. (2007) *Strategic Human Resource Management. A guide to Action*, Kogan Page: London.
- Billy, W., Edwin, O., Oscar, K., Lucas, O. (2010). *Key Performance Indicators in Kenyan Hospitality Industry. A Managerial Perspective Benchmarking. An International Journal*. Vol.17 No. 6. 2010
- Cheruiyot, K. (2008, May 28th). Teachers Union Rejects Performance Contracts. *Kenyan Time Newspaper*. pp 10
- Creating Effective Teaching and Learning Environments: First Results from TALIS – ISBN 978-92-64- 05605-3 137 © OECD 2009
- Donald M. (2000). *Major Problems in Performance Contracting for Education*. USA: Educational Technology Publications
- Education and Manpower Bureau (2003) *Teacher Performance Management*: <https://www.edb.gov.hk/attachment/en/sch-admin/sbm/sbm-forms-references/staff-appraisal-system>
- Gall, M. D., Gall, J. P., & Borg, W. R., (2007). *Educational research: An introduction*. Boston: Pearson Education
- Githua, B. (2004 July 21st). "Planning Instruction for Quality Assurance in Higher Education" A paper Presented to the Workshop on Planning Instructions of quality Assurance in Higher Education for School based Programmes, ARC Hotel, Egerton University, Njoro
- GoK (2010)-Review of performance contracting in the public sector, Nairobi: Government Printer. (Excerpts), September.
- Government of Kenya (2010), *ICT Capacities in secondary schools in Kenya 2009/2010* MOEST no.046, National council for science and technology, Nairobi.

- Government of Kenya (GoK). (2007). Report on Evaluation of the Performance of Public Agencies. Nairobi: Government Printer.
- Government of Kenya (GoK). (2009). *Public Sector Reforms and Performance contracting, Sector Performance Standards Framework*. Nairobi: Government Printers.
- Herman, A. (2009). *Performance Management* (2nded). River New Jersey: Pearson Education inc. Upper Saddle
- Hyndman, R.J. (2008). Stochastic population forecasts using functional data models for mortality, fertility and migration. *International journal of forecasting* 24(3).323-342.
- Karsten, S., Visscher, A. & De Jong, T. (2001), Another side to the coin: the unintended effect of the publication of school performance data in England and France, *Comparative education*.
- Khim, O., Kelly, S., Yu, S., Wei, L. (2008). Teachers Appraisal and its Outcomes in Singapore Primary Schools. Nanyang Business School- *Singapore Journal of education Administration* vol. 46 no.1 pp 39-54
- Kobia, M., & Mohammed, N. (2006). *The Kenyan Experience with Performance Contract*. Arusha AAPAM
- Lee, N. (2006). Measuring the performance of Public Sector Organization: A Case study on public schools in Malaysia” *Measuring Business Excellence Journal of education Administration*, vol.36 no.4 pp 50-64
- Marczyk, G., DeMatteo, D. & Festinger, D. (2005). *Essentials of research design and Methodology*. Hoboken, NJ: John Wiley & Sons.
- Muthaura, F. (2007). *Performance contracting in Kenya: restoring and building trust in Government through innovations to promote quality of public services*.
- Nafukho, M., Kobia, M., & Huka, N. (2009). *Performance Contracting and Human Performance Practice in Africa*. Information Age Publishing.

- Ndirangu, M. and Oduto, M (2011). Quality of learning facilities and learning environment: Challenges for teaching and learning in Kenyans public universities. *Journal of Quality Assurance in Education*. Vol.19 No. 3, 2011.Pp 208-223.
- Nyamur, H. (2007). *Teachers 'Union got it all Wrong on Performance Contracts*. Retrieved January 6, 20087.From ; <http://www.zbb.com/301.aspx?>
- Odhiambo, O. (2003). Teachers Appraisal: The experience of Kenyan secondary school teachers. *Journal of educational administration* Vol.43 No.4 2007.Pp 402-416.
- Organization for Economic Co-operation & Development (OCED) (1997). *In Search of results: Performance Management Practices in OECD Countries*. Paris: Public Management Committee, OECD.
- Organization for Economic Co-operation & Development (OCED) (2007).*Promoting the use of Performance-based contracts between water utilities & municipalities in EECCA; Case study number 1: Yerevan Water Supply company lease contract*. Paris: Public Affairs Committee.
- Peterson, Richard A., (1982). Arts Audience Statistics & Culture indicators: A review of Complementary Approaches. National Endowment for the Arts, Washington DC.
- Richmond, V. (2010).*Guideline for uniform performance standards and evaluation criteria for teachers*. Virginia Department of education.
- Saitoti, G. (2003). Education sector review: “*how far have we come since independence and what still needs to be done to meet educational needs of all Kenyans?*” Report of the National Conference in education and training held at Kenyatta international conference centre Nairobi; 27th -29th Nov, pp 50-64
- Sinkovic, G., Currie.D.,& Bevanda,V. (2011). From IT to BSC: The importance of Culture in implementing a performance measurement system in Croatia India; *a journal of Economic and Business*, vol. 10, no. 1 March 2011, pp 39-55

Performance Contract Steering Committee Kenya (2005). *Sensitization, training Manual on Performance Contracts in the Public Service*, Nairobi Kenya

Waal de, A. (2008), “is performance management applicable in developing countries? The case of a Tanzania college” *.International journal of emerging markets*, vol. 2 no. 1, pp. 69-83

Will, A. & Suzzane, S. (2008). *The performance management handbook vol. 2. Establishing an integrated performance measurement system*. California.

World Bank, (2002) *.Implementation of performance contract in Ghana*. Washington DC

Wragg, E. (2007). “Performance related pay: the views and experience of primary and secondaryhead teachers, *Research paper in education*. Vol. 54 no. 5/6 (2007) pp 468-481