

PERFORMANCE CONTRACT AS A TOOL FOR EVALUATION OF STRATEGIC PLANNING PROCESS:

(A survey of performance contracting in Laikipia County, Kenya)

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Abstract

The study investigated performance contract as a tool for evaluation of strategic planning process in local authorities in Laikipia County. Performance contracting is a tool used to evaluate and control strategic planning process. There are various factors that influenced implementation of performance contracting in local authorities in Laikipia County, hence the study to come up with findings and recommendations. The purpose of the study was to identify the gaps that existed in the performance contracting process in local authorities as they tried to enhance performance in line with set objectives and government guidelines. The objective of the study was to determine how resource allocation affected implementation of performance contracting, to find out the role of leadership in the implementation of performance contract. The study was based on theoretical orientation theories related to the area of study such as result-based management, contingency leadership, core competences and the Seven S. model. The independent variables of the study were financial resources, employee's skills, corporate objectives, leadership and organization structure. The dependent variable was evaluation of performance contract. The research designed employed was descriptive survey. The scope of the study was the local authorities in Laikipia County namely; Nyahururu Municipal Council, Rumuruti Town Council, Laikipia County Council and Nanyuki Municipal Council. The target populations were officers involved in performance contract process. Data was collected using questionnaires and analyzed using software computer Statistical Package for Social Science and presented through use of bar graphs and pie-charts. Correlation analysis showed that there was a positive correlation between performance contract and financial resources, employee's skills, corporate objectives, leadership and organization structure. Further studies should be done on why Council are rated poorly as compared to other Government departments and implement the findings of the study.