

INFLUENCE OF ORGANIZATIONAL CULTURE ON PERFORMANCE CONTRACTING IN PUBLIC SECONDARY SCHOOLS IN KENYA A CASE OF MURANGA COUNTY

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Abstract: The general objective of the study was to assess the influence of organizational culture on performance contracting in public secondary schools in Kenya focusing majorly on Muranga county. The study concentrated on all Public Secondary Schools in Kandara Sub County. The field studies covered all public secondary schools in the five zones in the sub county which are Ithiru, Githumu, Gaichanjiru, Muruka and Kagundu zones. The theoretical framework in this study was; Geert Hofstede Culture theory, Max Weber Bureaucratic theory and Situated Learning or Cognition theory. The study employed descriptive and inferential statistics. In this study, the targeted population were 55 secondary school head teachers and 55 deputy head teachers in Kandara Sub County, Murang'a County a total of 110. Since the population size is too small the study involved a census survey where all the 55 secondary heads and 55 deputies were issued with questionnaires. Primary data was collected through the use of questionnaires with the pilot study conducted in Gatanga Sub County on 38 respondents. Data analysis involved both quantitative and qualitative procedures with descriptive and inferential statistics procedures in application. The statistical package for social sciences (SPSS) Computer software Version 22 was used in data analysis. The data was presented in form of tables, percentage bar graphs and pie charts. The study found out that organization culture was significant in predicting performance contracting. The study therefore concluded that key policy makers and policies emanate from the political wing of the government. Politicians rather than professional policy makers are the ones wielding the power to chart the future direction and performance of public entities.

Keywords: Organizational Culture, Performance contracting, Public Secondary Schools.

1. INTRODUCTION

The initial development and implementation of performance contracting was targeting the privately owned and managed enterprises (Lin & Lee, 2011). In its originally conceptualized aim, the performance contracting was a management tool aimed at spurring performance in private entities to inculcate innovation for enhanced performance. This was mainly because, measurement of performance in the privately operated entities was easier to undertake since they have the main objective as profit maximization. This is contrast to the public sector whose main drives is sometimes not geared towards profit making and sometimes has conflicting goals (Edwards, 2012).

According to Aduda (2008), teachers feared that the contracts could annul the existing contracts that they already had and that teachers' performance was measured every year through the results schools attained in the national examinations. The other contention was that the role of Kenya Union of Teachers (KNUT) in the collective bargaining Agreement and therefore there was no way a teacher could be awarded individually. Ngare (2008) reported that Kenya Union of Teachers did not see the need for performance contracts as they felt that when one is already permanent and pensionable, they were not required to work on any other contract. This clearly showed that there was a huge knowledge gap in the teaching fraternity as to what performance contracts are and the structure around the institutions defines the approach towards the performance management contracts.

A study by Nzioka (2009) on Teachers' Opposition to PC in Yatta Kenya established that teachers were opposed to introduction of PC due to different organizational cultures in the schools which created difficulty in setting targets. Another key challenge in the implementation of PC in the teaching profession in Kenya has been identified to be sabotage by teachers' unions who claim that they have not been incorporated in the process by the Government and lack of sensitization of teachers on the PC concept (Gaconi, 2007). The culture pervading the unions makes it difficult to set and achieve the envisaged targets.

Performance contracts were introduced in the public service of the republic of Kenya in the year 2003. The practice was envisaged to be a reform tool with the sole aim of making the public-sector employees more responsive to the demands of the populace (Karimi&Mukulu, 2008). The need to meet the public-sector expectations was the motivating factor in adopting performance contract management (GoK, 2005). Kobia and Mohammed (2006) also indicated that some other objectives of introducing performance management contracting in Kenya was to install and select a few realistic targets to be achieved that are in line with ones tasks and responsibilities rather than too many objectives that are attempted all at once.

Improvement of service delivery thresholds was the key imperative adoption of performance contract management. Resistance by the teachers' unions delayed the adoption of performance contract management in the public schools' sector (Gakere, Keraro&Gakure, 2013). Agitation by the teachers' unions about the inability to effectively quantify teacher performance was the chief cause which made them view performance management programmes with contempt and reluctance or as a punitive tool. The prevailing situation led to resistance and non-achievement of the envisaged ideals as regards implementation of the programme (Mbua& Ole Sarisar, 2013).

The school principals being the implementers of the government education policies have entered into negotiated contracts with their teachers for effective results based service delivery (Mugambi, Gakure&Orwa, 2014). Pertinent key areas require attention in order to improve and sustain good performance in the public secondary schools' education system due to the different environments that the schools are situated and disproportionate entry behaviours of the students (Cheruiyot, 2008). The study envisages looking at the secondary school sub-sector with a view of confirming the extent to which performance contract based management has affected the commitment of secondary school teachers.

2. STATEMENT OF THE PROBLEM

When Performance Management Contracts (PMC) was introduced in the Republic of Kenya the motivation was to spur improved performance owing to the fall of performance in the public institutions below the expectations of the populace (GoK, 2005). Regardless of the fact that performance contracting has been in place for many years in the public sector, embracement of PC by the public education sector was rather slow and inhibited by protests from the teachers' unions, a study by Mugambi, Gakure and Orwa (2014), which sought to determine the influence of strategic plans on the acceptance of performance contracting by employees in Kenya secondary schools. The agitation against performance contracts in public schools was motivated by the ingrained perceptions of difficulty in setting performance targets and the fluidity in the determination of teacher output (Mugambi, et al, 2014).

Attempts by TSC to introduce performance contracting in 2007 were inhibited with agitation by the Kenya National Union of Teachers (KNUT) which vehemently opposed the plan leading to deferment of the decision (Cheruiyot, 2008). KNUT objected to the policy provisions despite the government position to take on the programme which was a big drawback to the initiative. The prevailing situation thus occasioned deep seated mistrust in the teaching fraternity as regards to the application of the performance contracting programme as a measure of auditing the teacher output and continuous appraisal for professional development purposes.

Previous studies have focused on performance related factors in State Corporations (Ogoye, 2002; Choke, 2006, Kiboi, 2006 & Langat, 2006), the perceived link between strategic planning and performance contracting in Kenyan State Corporations. A study by Mugambi, Gakure and Orwa (2014), the influence of strategic plans on the acceptance of performance management contracting by employees in Kenya Secondary Schools focused on the nexus between resources and acceptance of performance contracting in Kenyan secondary schools and it was guided by the objective of evaluating the relationship between availability of resources and the change management structures in the schools. The study deduced that the change management systems had grossly affected the capacity to have the schools embrace performance contracting despite the availability of resources (Mugambi, et al, 2014).

A study by Mulei and Orodho (2016) on performance contracting in management of secondary schools focused on performance contracting with a view of determining their efficacy in management of secondary schools in Makueni County, Kenya. The purpose of the study was to examine the effect of performance contracts on service delivery in public secondary schools' management in Makueni County, Kenya. Another study by Kinya (2010) on challenges affecting the implementation of performance contracts among secondary school teachers in Kiambu District also focused on performance contracts with view of examining the challenges that secondary school teachers faced. The study deduced that, there are many challenges facing the implementation of performance contract, such as teachers Training on performance contracts, Union resistance and indeed lack of clear terms of the Contracts.

Public Secondary Schools have put in place a Performance System to improve on service delivery, service efficiency and organizational productivity (Armstrong, 2010). Even after the introduction of performance contracting and many studies been done on the implantation of performance contracting, Kandara Sub County been one of the largest sub county in Muranga County, still shows no signs of improvement as performance still remains poor as it is ranked among the last sub county in KCSE performance. Even with the advantage of having many resources and a large personnel there is still no relation seen in signing of performance contracts and the actual performance. These studies have not focused on the extent to which the level of organizational culture influences the effectiveness of performance contracting. Therefore, there exists a knowledge gap This study therefore sought to examine if the aforementioned factor influence the effectiveness of Performance Contracts in Public secondary schools.

3. LITERATURE REVIEW

Classification of organizational culture should be given much attention, it concentrates on the design and productivity of data process, due to culture effects and shape responses are given by the organization's members to issues and structure functions applied to overcome every kind of challenges and problems (Westrum, 2004). According to his study Westrum (2004), a Typology of Organizational Cultures: Quality and Safety in Health Care he deduced that the classification depends chiefly on management designs, and consequently on the excellence of communication in stakeholders of the organization. In line with this compartmentalization of organization culture, whereas organizations with compulsive sort of habits are inclined to control and, loosely, team work is poor, functionary ones remain chiefly rule destined and have moderate collaboration. Consequently, institutions with proactive culture type are productive with well-built structure arrangement that support management and make a high level of collaboration through skilfully designed and wealthy communication channels.

To establish if organizations do have a culture, Ogot (2006) in the study principles of human resource management, a contemporary South African perspective observed that organization have not been able to have a pure culture, though basically every effective firm has a culture. The key tradition is essential to the functioning of the organization to form the nuclear core on which an organization functions to prosper. He indicated that there are four main typologies of core culture; control culture, collaboration culture, competence, and cultivation.

Control Culture: This type of culture is concerned with preservation, development, welfare and prosperity. It exists in the organization to guarantee its certainty, future outcome, security, precision and reliability. Consequently the framework design for simple structure and understanding expressed here get mainly constructed around organizational objectives and the level that this objective can be attained. This culture focuses in achieving of objective.

Collaboration Culture: its culture that's based on synergies, meant to help in close connections with the customers with much dedication on the customer. The fundamental concern of collaboration culture is the relationship among societies' experiences and realism. The organization grows through the shared experience of individuals, both from the in-house and

external environment. In a nutshell, this culture elicits synergistic advantages from people, with a goal of achieving customer satisfaction (Ogot, 2006).

Competence: Ogot (2006) indicated that, this is the culture of distinctiveness in nature and gets informed by intangible system objectives of the organization, and to the level the objectives are attained. Its existence is primarily to make sure the achievement of unrivalled product and services. Cultivation: in this culture, the differences of customers values, and beliefs of the company are enhanced and the level that this values and ideas of the company get applied. In other words, this typology of culture is value-centred goal attainment (Ogot, 2006).

The in-house organization's setting is depicted by the organizational culture and is created by the traditions and beliefs of the organizations' directors and staffs (Aycan, 1999). Organization culture is established through the assumptions, beliefs, ideals and behaviours, of stakeholders who are significant, for gaining competitive advantage (Hall, 1993; Peteraf, 2013). According to Yilmaz, (2008) Organizational culture helps to shape procedures, unifying the organization abilities into a strong unit. Moreover, it helps solve issues affecting an organization, and thus it can be able to obstruct or enable success in the organization. Culture should therefore, be considered for effective implementation of performance management contracts in an organization.

The performance levels of an organization are dependent on the socio-cultural factors operating within and outside the vicinity of a particular entity. They relate to the local, national and regional factors. These factors have some bearing weight on the level of performance of the entity. They also influence the overall performance of the organization (OECD, 1999). This is notable from the fact that the existing cultural dimension present at the inception of an organization has a lot of influence on the level of performance of a given entity. The language used in an organization has a particularly high level of influence on the organization.

The management tends to focus on the source of motivation that is dominant, such as pay, opportunity, or status for personal growth and development. The accessibility of the directorate and the ways in which decisions get made also acts as reflections of the organization's culture as well. Classification of organizational culture should be given much attention, it concentrates on the design and productivity of data process, due to culture effects and shape responses are given by the organization's members to issues and structure functions applied to overcome every kind of challenges and problems (Westrum, 2004).

According to a study by Drucker (1994), managing the Non-Profit Organization revealed that Different organizations have different organization cultures, as such they are aware of a firm's culture at various levels is crucial. Culture helps in defining the appropriate and inappropriate behaviour. In some cultures, for example, creativity is emphasized, in others; the status quo gets more valued. Some distinct cultures get task-oriented, others socially oriented, and others are "business only" environments. Some company's value teamwork above other things while in other firms, individual achievement gets valued and encouraged. An organization's culture is responsible for determining the way employees get compensated. The culture in such entities has often been fluid as well as focused on the causes rather than the necessary systems and the required procedures for the achievement of organizational goals. Therefore, it can get noted that workers are usually motivated and enthusiastic about their work. However, as a unit that works collectively to achieve one objective, these public sector firms often lack the systems to enable them to have an influence. However, it was observed that some public organizations borrow current administrative techniques, especially the ones in private sectors (Lewis, 2001). These techniques act as a way of addressing the organizational problems by applying quick managerial fixes.

A study by Magee, (2002) on The Impact of Organizational Culture on the Implementation of Performance Management argued that the failure to consider organizational cultures impacts and practices like performance management, can lead a firm to end up being unproductive. These results can be due to the two being interdependent and change in one will affect the other. The underlying organization's cultural backing is responsible for providing a basis for excellence in individual performance in the organization (Maritz, 1995). Culture that is inclined to high-performance will facilitate and reward potential through factors such as a stable system of credible leadership and values.

In another study, Fernandez and Rainey (2006) empirically tested managing Successful Organizational Change in the Public Sector; they argued that if culture is the key to the effects of performance measurement, then it is critically important to consider how culture can be shaped in an organization. Presumably, it can be changed, although the barriers might be substantial, and some would doubt the feasibility of changing an organization's culture. Thus, policy makers

often create new organizations to manage new programs out of fear that the culture of existing agencies would undermine the new initiative. Nonetheless, organizations do change, and an extraordinary literature on organizational change is available to help guide the development of strategies. Therefore, the following hypothesis was tested:

H₀₁: There is no significant influence of organizational culture on the effectiveness of performance management contracts in public secondary schools in Kandara Sub County.

A performance contract is a tool of measurement used to measure the achievement of set performance targets by employees (GOK, 2007). According to Ogato (2010), performance management contracting is a holistic process that ensures the following are developed and effectively carried out: Setting of corporate, department, team and individual objectives, Performance appraisal system, training and development strategies and plans, feedback, communication and coaching, individual career planning, as well as mechanisms, for monitoring the effectiveness of performance management systems and interventions. Kumar (1994) defined performance contract as a Memorandum of Understanding(MOU) rooted in an evaluation system, which other than performance measurement of set targets, it also ensures improvement of performance in management and industries by making the autonomy and accountability aspect clearer and more transparent (Kumar, 1994).

Bouckaert, et al., (1999) states that the principle of performance contracting provides an original combination of increased operational autonomy in the field of service delivery and a better strategic control by the organization. He examined that Performance contracting has a direct bearing on the productivity of the organization. This effect can be examined from four fronts: Human Resource Management, Financial Management and Cost Consciousness, Internal Organization and External Relations.

A performance contract in education according to Campbell (1972) is a rather simple idea, usually, the school system specifies certain desired outcomes, defines a target group of pupils, stipulates some of the condition, under which the instructions is to take place and enters into a contract with the agency for the provision of instructional experience designed to bring the target group of pupils to the desired outcomes, however this is not the case as TSC now pegs the teacher and head teacher to be the responsible for the outcome as its more teachers based on the individual performance of the teacher rather than result/ student based performance.

Implementation of performance contracts in schools in Kenya has often been met with resistance. Teachers through KNUT have resisted signing performance contracts arguing that contracts are unnecessary because teachers are on Permanent and Pensionable terms. Resistance to implementation of performance contract in the education system is not new. Trivedi (2004) pre-empted that successful performance contacts depends on the level of cooperation between the contracting team and the workers initiating the exercise. Lack of involvement of critical workforce in the process of performance contracting has the capacity of derailing the success of the entire process of performance contracting. It is necessary for the creation of a reliable team to lead and role the process of performance contacting through professional management of an experienced and committed personnel to ensure that the intended goals and objectives are smoothly attained.

4. RESEARCH METHODOLOGY

The study concentrated on all Public Secondary Schools in Kandara Sub County. The field studies covered all public secondary schools in the five zones in the sub county which are Ithiru, Githumu, Gaichanjiru, Muruka and Kagundu zones. The theoretical framework in this study was; Geert Hofstede Culture theory, Max Weber Bureaucratic theory and Situated Learning or Cognition theory. The study employed descriptive and inferential statistics. In this study, the targeted population were 55 secondary school head teachers and 55 deputy head teachers in Kandara Sub County, Murang'a County a total of 110. Since the population size is too small the study involved a census survey where all the 55 secondary heads and 55 deputies were issued with questionnaires. Primary data was collected through the use of questionnaires with the pilot study conducted in Gatanga Sub County on 38 respondents. Data analysis involved both quantitative and qualitative procedures with descriptive and inferential statistics procedures in application. The statistical package for social sciences (SPSS) Computer software Version 22 was used in data analysis. The data was presented in form of tables, percentage bar graphs and pie charts.

5. FINDINGS

Table 1 Organization Culture

		Frequency	Percent
school ways	Strongly Agree	24	23.8
	Agree	72	71.3
	Neutral	2	2
	Disagree	3	3
information obtained	Strongly Agree	6	5.9
	Agree	69	68.3
	Neutral	8	7.9
	Disagree	9	8.9
Uniqueness of school culture	Strongly disagree	9	8.9
	Strongly Agree	34	33.7
	Agree	61	60.4
	Neutral	6	5.9
school culture	Strongly Agree	14	13.9
	Agree	60	59.4
	Neutral	20	19.8
	Disagree	7	6.9
school teamwork	Strongly Agree	30	29.7
	Agree	56	55.4
	Neutral	11	10.9
	Disagree	4	4
employee's creativity	Strongly Agree	18	17.8
	Agree	59	58.4
	Neutral	16	15.8
	Strongly disagree	8	7.9
Core values	Strongly Agree	29	28.7
	Agree	51	50.5
	Neutral	17	16.8
	Disagree	4	4
school management standards	Strongly Agree	17	16.8
	Agree	61	60.4
	Neutral	10	9.9
stakeholders	Disagree	13	12.9
	Strongly Agree	9	8.9
	Agree	69	68.3
	Neutral	15	14.9
	Strongly disagree	8	7.9

Most respondents (68.3%) agreed that the school uses information obtained from various sources for effective PC leading to improved performance and only 5.9% strongly agreed the rest did not agree. As argued by Edwards, 2012, many organizations fail to effectively engage in Performance Management activities owing to the challenge of lack of useful information in the wake of actualizing the programmes.

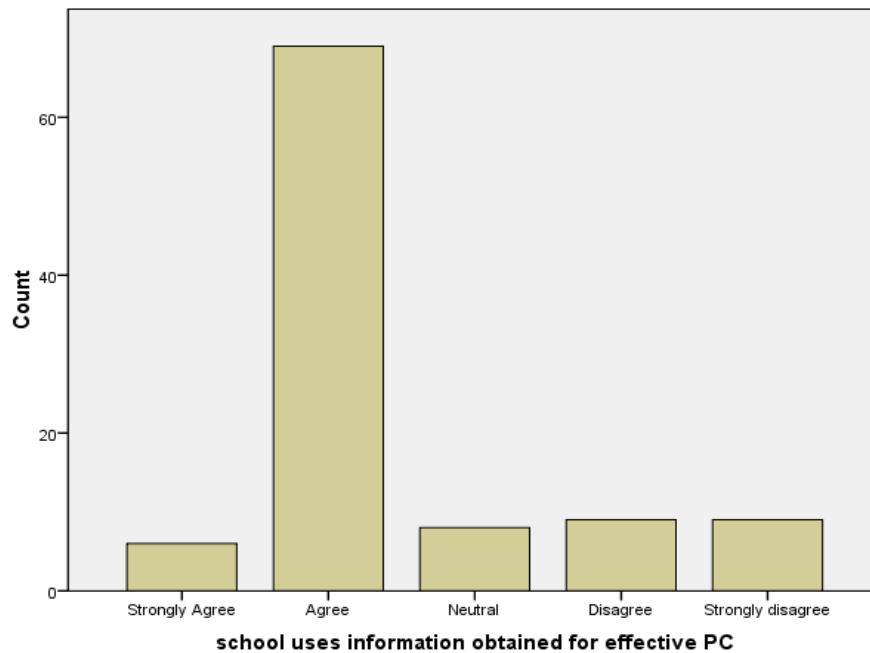


Figure 1 Information obtained for effective PC

More than half (59.4%) of the respondents agreed that uniqueness of school culture is noted in the use of delegation leading to increased accountability and only 6.9% disagreed. According to Yilmaz, (2008) organizational culture helps to shape procedures and unifying the organization abilities into a strong unit, thereby helping solve issues affecting an organization, and thus it can be able to obstruct or enable success in the organization.

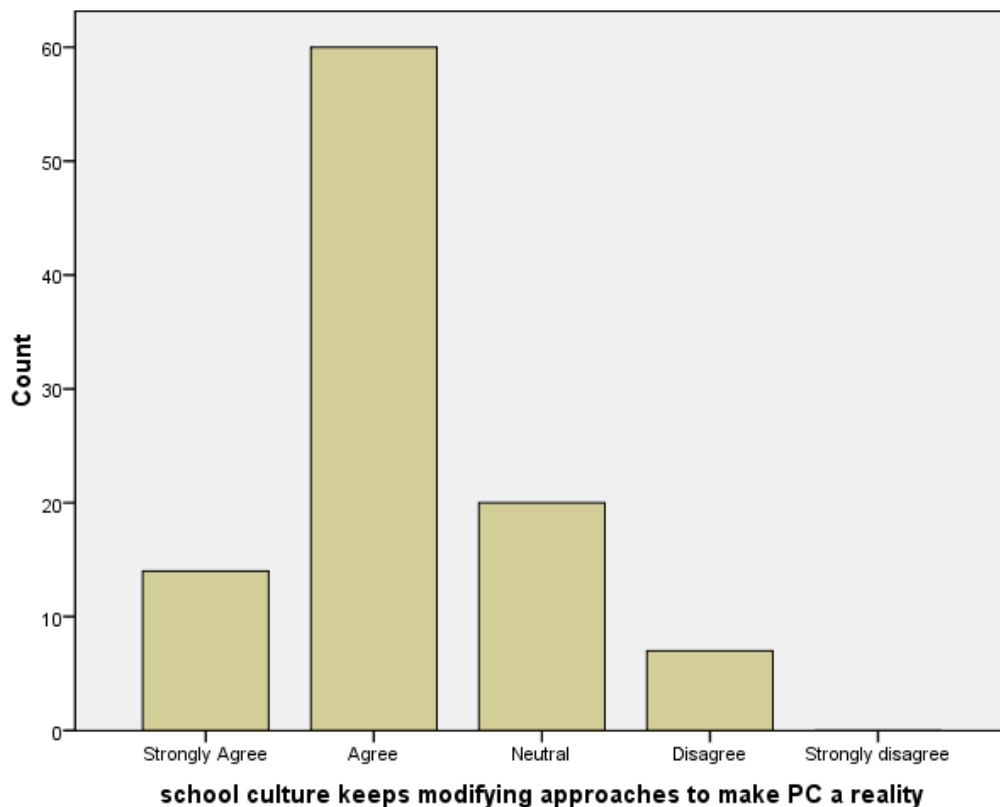


Figure 2 School culture

PC leads to enhanced school management standards that improve performance

From the figure below, 60.4% of the respondents agreed that PC leads to enhanced school management standard that improve school performance but a minority of them (9.9%) were neutral about it. As argued by Westrum, 2004, the management tends to focus on the source of motivation that is dominant, such as pay, opportunity, or status for personal growth and development.

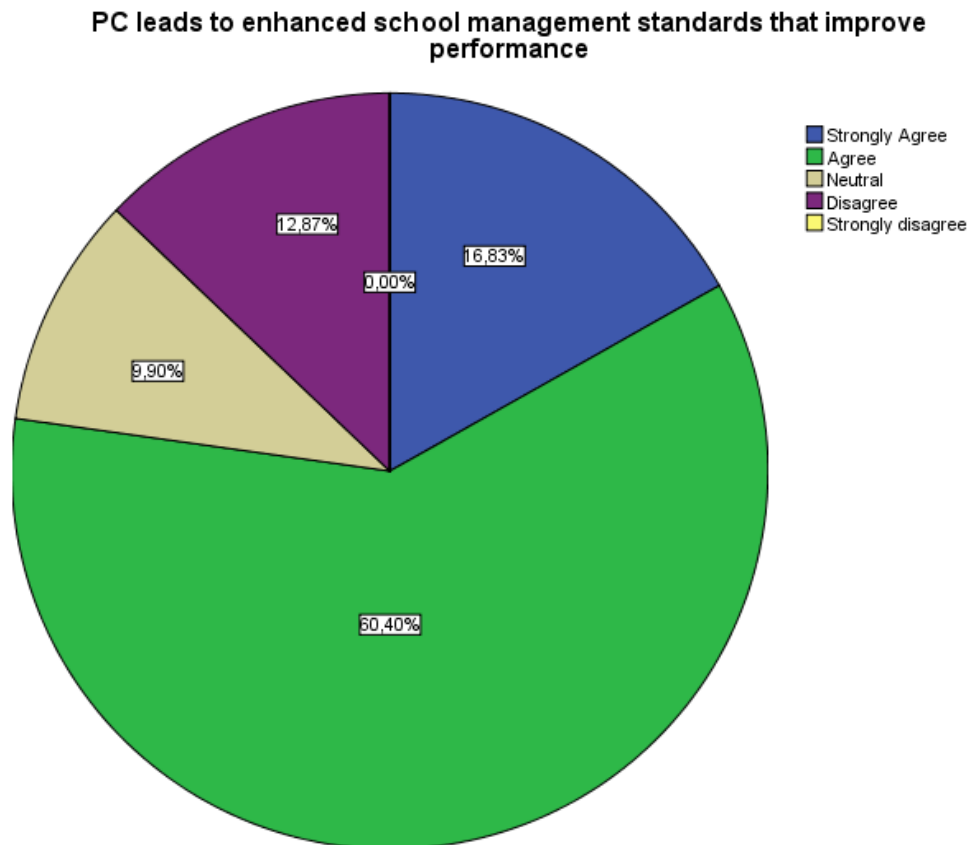


Figure 3 PC leads to enhanced school management standards that improve performance

Table 2 Testing the significance of the independent variables with the dependent Variable

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.307	.261		1.173	.244
ORGANIZATION CULTURE	.279	.076	.401	3.688	.000

To test the significance of the predictors, t-statistic and its associated 2-tailed p-value was used in testing whether a given coefficient is significantly different from zero (that is, if the predictor was significant). The predictor was statistically significant at 5% level in predicting performance management contract. This is also evident from other studies whereby Ogot (2006) established that organizations do have a culture.

6. CONCLUSION AND RECOMMENDATION

The study makes positive contribution to the performance contract management in literature by focusing on organization culture thereby affecting performance of public organizations from the point of view of the government. It is notable that the key policy makers and policies emanate from the political wing of the government. Politicians rather than professional policy makers are the ones wielding the power to chart the future direction and performance of public entities.

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