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The influence of leadership practices on the performance of Government Ministries in Kenya

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Abstract

Purpose: The purpose of this study was to establish how leadership practices influences the performance contracting results of Government Ministries in Kenya.

Methodology: The study used a descriptive research design. The target population of the study is Divisional heads, middle level managers and supervisors in 3 selected government ministries. These were Ministry of Education, Science & Technology, Ministry of Health and Ministry of Environment, Water& Natural Resources. Sample of 55 respondents was used.

Results: Result findings showed that leadership influences performance contracting results of Government Ministries in Kenya positively.

Policy recommendation: Based on the finding the study recommends that the government should encourage the implementation of performance contracting in its ministries through good leadership practices.

Keywords: *Leadership practices, performance contracting, government Ministries*

1.0 INTRODUCTION

A performance contract is an agreement between a government and a public agency which set up general goals for the agency. In addition, these agreements stipulate targets for measuring performance and offer incentives for attaining theset targets (Hunter & Gates, 2008). They include a various incentive-based mechanisms for managing public agencies which have effect on the outcome instead of the process. The positive results of Performance Contracts in various countries such as France, Pakistan, South Korea, Malaysia, India, and Kenya has stirred a great deal of interest in this policy around the world (Wheeler, 2001).

Over time, governments have continually encountered the challenge of desiring to do things differently but with limited resources. Performance contracting assists in solving this challenge by providing a way for achieving desired behavior in the contest of decentralized management structures. Employers' value performance contracting since it is a useful vehicle for defining roles and offer support to new managers in their supervisory and control roles. In addition, performance contracting gives managers freedom to execute their day-to-day responsibilities (Domberger, 2008). In Kenya, performance contracting framework was adopted by the Kenyan

Government in the Public Service in 2004. Its introduction has helped to improve service delivery in the public sector (GoK, 2010).

1.2 Problem statement

The government introduced performance contracts in 2003 since the performance of the public sector in general and specifically the government agencies had over time fallen below expectations (Office of the President, 2005). However, despite this realization little research has been done to determine the determinant of performance contracts in Government Ministries in Kenya and their impact on performance.

The reviewed local studies include those of Obong'o (2009) which focused on historical perspective of the performance contracting in Kenya. He did not critically address the issue of performance contracting results in Government Ministries in Kenya. Studies by Muganda and Van Belle (2008) had a contextual gap since it focused on the local authorities only while this study addresses government ministries. Hence, this study sought to establish the determinant of performance contracting results in government ministries in Kenya.

1.3 Research Objective

- i. To establish how leadership practices influence the performance contracting results of Government Ministries in Kenya.

2.0 Theoretical framework

2.1 Agency theory

According to Jensen and Meckling (1976), Principal-agent theory in economics is based on several key assumptions about human and organizational behavior. First, individuals and organizations are assumed to be rational in the pursuit of their self-interest. This results in a variance of interests between the principal (owner) and agent (producer). The disconnection of ownership from production results in increased cost and complexity in monitoring the agent's behavior. This builds up information asymmetry that is beneficial to the agent as he performs a task on behalf of the principal. Under these conditions, two agency problems arise: moral hazard and adverse selection.

Moral hazard refers to the occurrence of opportunistic behavior by the agent. Differing interests and information asymmetry favor the agent through creating opportunities for the agent to engage in behavior that maximizes his utility but conflicts with the goals of the principal (Kiser, 1999). Through monitoring, the principal discovers opportunistic behavior and aligns the agent's behavior with his own goals. This helps in improving the outcomes of contractual relationships (Kiser, 1999). This theory is relevant to this study as the determinants of Performance Contracting Act as the agents of the departments and must act in good faith to fulfill the principles of the Principal.

2.2 Goal Setting Theory

Locke (1960) affirmed that proper goals and proper feedback motivate employees. Additionally, he said that when employees are motivated when they work towards a goal. Locke's study shed

some light on the link between goals and performance. According to his study, specific and difficult goals resulted to better results and performance than those of vague, randomly set or easy to do goals. Locke and Latham, (1984) suggested that assignment of specific goals not only result in improved performance but also leads to increased motivation (Mitchell *et al.*, 2000).

Goal-setting theory does not emphasis on rewards but rather stresses on the inspiring power of defining appropriate work goals and engaging employee commitment to them (Marsden, 2004). Several studies have tried to establish the relationship between goal-setting and performance. Most of the evidences support the theory strongly. Marsden and French, (2001), found out that employees caused managers to set targets more precisely where the objectives contracted performance.

The theory is relevant to this study as Performance Contracts has a lot in setting goals and agreeing with the Ministry on the same. They are evaluated on the goals they have set themselves which forms the basis of Performance contracting.

2.3 Empirical Literature Review

Leaders are true leaders who require diverse skills associated with charismatic and visionary leadership. They have a zest and enthusiasm, add new value and look after initiative. Transformational leadership occurs when leader and follower come together in a bid to attain higher order or common goals. In this case, they individuals involved engage in capacity building resulting to realization of higher levels of motivation and morality. The implication is that the relationship between the leader and the follower is for a collective purpose (Avolio & Gardner, 2005).

Leadership influence is accomplished through motivational processes that raise the organizational members' expectation for work. As a result, the employees' levels of commitment to the organization and its purposes are raised. Leaders who seek to not only to recognize potentials but also go a notch higher into satisfaction of those needs only comparable to those of Maslow. Transformational leadership has a stronger positive influence with subordinate ability, satisfaction, performance and motivation in comparison to transactional leadership, resulting into leader effectiveness, extra effort in duties and an air of satisfaction (Cooper, Scandura, & Schriesheim, 2005).

Leaders are known to maximize on vision. They are idealized, trusted and respected by their follower; establish intense emotional bond with followers; inspire and motivate followers to commitment and willingness to share vision; they develop personal relationship with each individual; allow creativity and create a supportive climate in the organization for personal actualization. Transformational leaders encourage critical thinking and innovation towards their job resulting into intellectual stimulation. Followers in turn are willing enough to engage in self-interest as the leader appeals to their values and sense of higher purpose. It involves a higher order of exchange beyond tangible rewards (Avolio & Gardner, 2005)

Leadership is more task- oriental that is comparable to the scientific approach to management. Completion of a task is commensurate rewards given, just like the "carrot and stick (contingent rewards). Some researchers like it to the scientific mode of management. The leaders specifies standards for compliance as well as what happens in non-compliance. Monitoring closely for deviances, mistakes and errors, and adopting corrective measures when incidences occur (management-by-exception-active). Another factor is the concept of management-by exception (passive), where leaders make no clear guideline or goals, and taking action only when

something is not going as per the effectiveness of anticipated occurs. Passive leadership makes subordinates more likely to avoid initiating change and prefer maintaining status quo (Antonakis, Avolio & Sivasubramaniam, 2003).

2.2 Conceptual Framework

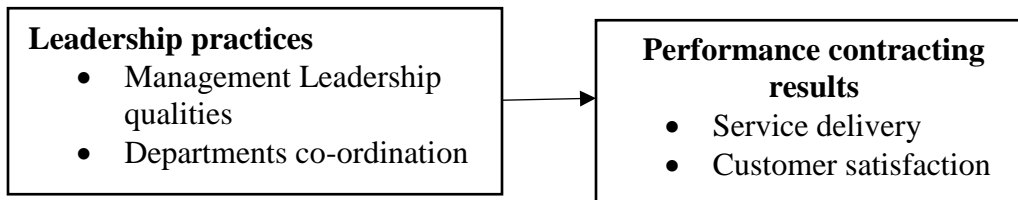


Figure 1: Conceptual Framework

3.0 METHODOLOGY

A descriptive research design was used in this study. The target population of the study composed of 185 Divisional heads, Middle level Managers and Supervisors in three ministries. A sample of 55 respondents. Questionnaires were used to collect data. Data reliability and validity was tested through a pilot test.

4.0 RESULTS FINDINGS

4.1 Response Rate

The number of questionnaires that were administered was 55. A total of 41 questionnaires were properly filled and returned. This represented an overall successful response rate of 75%.

Table 1: Response Rate Data reliability and validity was tested through a pilot test.

Response	Frequency	Percent
Returned	41	75%
Unreturned	14	25%
Total	55	100%

4.2 Demographic Information

4.2.1 Gender Composition of Respondents

The study sought after finding the gender distribution of respondents. Results on figure 2 shows that 57.14% of the respondents were male and 42.86% of the respondents were female. This shows that there was no gender disparity amongst the respondents implying that there exists gender equity in the government ministries.

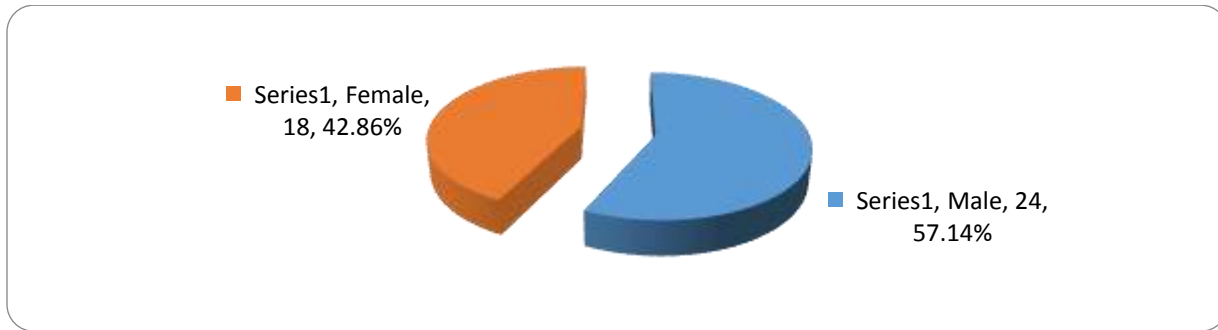


Figure 2: Gender

4.2.2 Level of Education

The study further sought after establishing the level of academic qualifications obtained by the respondents. The responses on this question are depicted in figure 3. A majority of 47.62% of the respondents reiterated that they had acquired post graduate education, 30.95% university level, 16.67% college level while only 4.76% of them had education up to the secondary level. This implied that the respondents had attained high education.

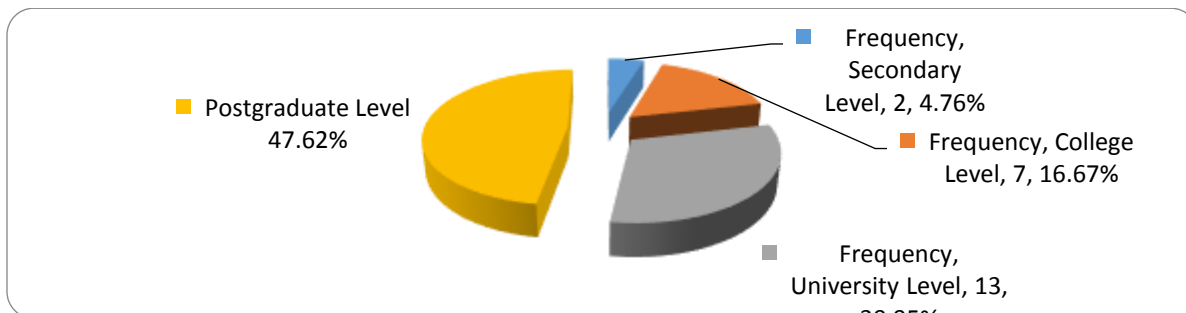


Figure 2: Level of education

4.2.3 Years of Employment in One Capacity

The respondents were told to indicate the number of years they had worked in the same capacity in the government ministry. Majority 50% of the respondents indicated that they had worked in the same capacity for a period of between 5-9 years, 28.57 % of the respondents indicated they had worked in the same capacity for a period between 1-4 years, 16.67 % of the respondents indicated that they had worked in the same capacity for more than 10 years year while 4.76% of the residents indicated that they had they had worked in the same capacity for less than 1 year. This is an implication that, in the government ministries, it takes time before one is promoted to a higher position. It can also imply that the respondents had worked with the government ministries for a long period of time and therefore they were reliable for the study.

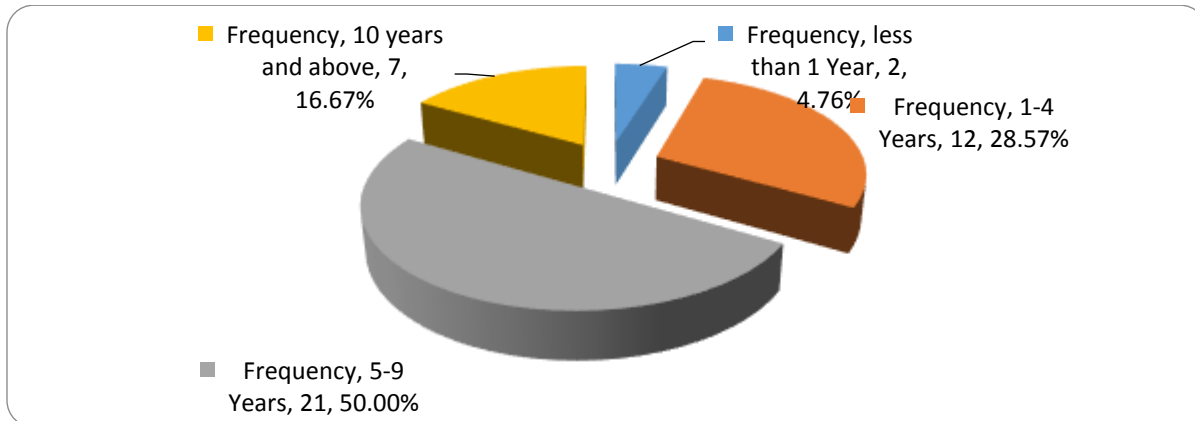


Figure 3: Years of Employment in the Same Capacity

4.3 Descriptive Analysis

4.3.1 Leadership Influences on Performance Contracting

Table 2 presents the influence of leadership on performance contracting. Results indicate that majority 88.1% of the respondents agreed that leadership qualities are visible in management, 71.5% of the respondents agreed that employees' views are taken into consideration in the management, 76.2% of the respondents agreed that administrative procedures and manuals exists, 63.4% of the respondents agreed that administrative procedures are adhered to, 77.5% of the respondents agreed that there is proper co-ordination between the departments and 95.3% of the respondents agreed that there is good guidance to the staff in executing their duties by supervisors. The mean of the responses indicated from the results was 4.0 which show that the respondents were agreeing on most of the statements while the standard deviation was 0.6 which indicates that the answers received were varied as they were dispersed far from the mean.

TABLE 2: Leadership Influences on Performance Contracting

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	StdDev
Leadership qualities are visible in management	0.00%	0.00%	11.90%	57.10%	31.00%	4.2	0.6
Employees' views are taken into consideration in the management	0.00%	2.40%	26.20%	66.70%	4.80%	3.7	0.6
Administrative procedures and manuals exists	0.00%	2.40%	21.40%	66.70%	9.50%	3.8	0.6
Administrative	0.00%	4.90%	31.70%	34.10%	29.30%	3.9	0.9

procedures are adhered to							
There is proper co-ordination between the departments	0.00%	2.50%	20.00%	70.00%	7.50%	3.8	0.6
There is good guidance to the staff in executing their duties by supervisors	0.00%	0.00%	4.80%	66.70%	28.60%	4.2	0.5
Average						4.0	0.6

Further, the respondents were asked to indicate the leadership style that is used in their ministry. The respondents indicated that their ministry used democratic, situational and socialist leadership styles. This implies that the government ministries have adopted diverse leadership styles.

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

In reference to the first objective of the study which sought to establish how leadership influences the performance contracting results of government ministries in Kenya. The study findings indicated that leadership influences impacted the performance contracting results of government ministries. This was demonstrated by descriptive statistics that showed that majority of the respondents agreed that; leadership qualities are visible in management, employees' views are taken into consideration in the management, administrative procedures and manuals exists, administrative procedures are adhered to, there is proper co-ordination between the departments and there is good guidance to the staff in executing their duties by supervisors. Regression results revealed that there was a significantly positive relationship between leadership influences and performance contracting. This was supported by a p value of 0.002.

5.2 Conclusion

The study concluded that leadership influences affected the performance contracting results of Government Ministries in Kenya positively. This implies that an improvement in the leadership practices in the government ministries would mean better results of performance contracting.

5.3 Recommendations of the Study

Based on the finding the study recommends that the government should encourage the implementation of performance contracting in its ministries. This can be done through improving the leadership practices.

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