

ABSTRACT

Performance contracting introduction to government ministries and agencies was aimed at improving service delivery. In 2006, Directorate of Co-operatives adopted and implemented performance contracting however, its performance on service delivery was unsatisfactory. The main objective of the research was to analyze performance contracting and service delivery at Directorate of Co-operatives in Nairobi County. The specific objectives were to assess performance contracting process, identify constraints experienced in implementation of performance contract and assess the customer perception on service delivery at the Directorate of Co-operative. Consequently, the research will enable the Directorate to come up with measures on how to enhance performance contracting to be able to deliver satisfactory services. The research adopted a descriptive research design and used multi-stage sampling targeting 251 co-operative societies. It also collected data from population of 105 co-operative staff. The Co-operative staff and co-operative societies formed the unit of analysis. Questionnaires and check list for data collection were prepared and pre-tested before administering. After collection, data was subjected to both qualitative and quantitative statistical analysis techniques by use of Statistical Package for Social Sciences computer software to run the descriptive statistics to generate frequency tables and measures of central tendencies. Finally, the results of data analysis were presented using frequency distribution tables, percentages, averages and graphs. Findings revealed that the relationship between the different management staff levels is poor, there exist a form of disconnect between the national government and the county government in performance contracting, the Directorate do not fully adhere to the performance contracting processes, experiences challenges in performance contract implementation and that it does not utilize customer surveys to deepen service provision. It is therefore affirmed that variables identified in research objectives are crucial in performance contracting and service provision. It is recommended that the Directorate should ensure that a mechanism for smooth operation of various levels of management be put in place. Secondly it should ensure that a mechanism for smooth operation of the two levels of government national and county government is put in place. Thirdly the Directorate should continuously assess and implement recommendations of customer surveys. Finally the Directorate should adhere to performance contracting processes, identify and mitigate challenges faced in performance contracting. The study also recommends that further studies should be done to facilitate proper implementation of Performance contract Management System between the national government and county governments. A research should also be carried to determine the influence of political behaviour and priorities on performance contracting and propose mitigating measures. The information generated from this research will go a long way in guiding the policy makers to improve performance contracting at the Directorate of co-operatives.