

# The Role of Skills Development on Effective Performance of Kakamega County Government

<sup>1</sup>Judith Makokha, <sup>2</sup>Dr. Clive Mukanzi, <sup>3</sup>Mr. Abraham Malenya

<sup>1</sup>Master Student, Jomo Kenyatta University of Agriculture and Technology

<sup>2,3</sup>Lecturers, Jomo Kenyatta University of Agriculture and Technology

---

**Abstract:** Proper functioning of a state economy depends on the civil service to play the crucial roles of service delivery. In the event that the service delivery becomes ineffective or constrained, it affects the nation's development process and citizen's quality of life. To enhance and improve the service delivery to the citizenry, countries across the globe have responded by introducing the concept of performance contracting. Performance contract is the means through which better results are obtained from the firms' teams, and understanding and managing performance within the agreed standards and competence requirement. The objective of this study was to determine whether skills development has an effect on effective performance of Kakamega County Government. Descriptive survey research design was adopted as these methods are useful in describing the state of affairs as they exist and association between the variables. A stratified sampling technique was used since the target population involved individuals of different cohorts. The data was analysed using descriptive as well as the inferential statistics. At 99% confidence interval, the correlation analysis results showed that skills development practices had positive and significant relationship with the performance in Kakamega County Government at 0.664 and  $P = 0.00 < 0.01$ . Similarly, regression results indicated that skills development practices had a positive effect on the performance effectiveness. The study recommends that Kakamega County develops and trains its human resources and source for highly qualified individuals who will adopt performance contracting for effective performance.

**Keywords:** Skills development, performance contracting, performance effectiveness.

---

## I. BACKGROUND

The main goal of any government is to attain broad-based sustainable growth and development, and the living standards of its citizens. Proper functioning of a state economy depends on the civil service to play the crucial roles of service delivery. In the event that the service delivery becomes ineffective or constrained, it affects the nation's development process and citizen's quality of life. To enhance and improve the service delivery to the citizenry, countries across the globe have responded by introducing the concept of performance contracting. As noted by Armstrong (2006) performance contract is one of the elements of performance management aimed at maximising performance where it is poor. He defined it as a logic process for improving the performance of an entity through the development and maintenance of individuals and teams performance. Aosa (2000) defined performance contract as the means through which better results are obtained from the firms' teams, and understanding and managing performance within the agreed standards and competence requirement. It is one of the steps being taken in the broader public sector reforms to improve effectiveness and efficiency while reducing the involved costs.

Metawie and Gilman (2005) pointed out that performance contracting in the UK's public sector was introduced in 1998 under the Public Service Agreement system where performance targets for all government agencies were set and on which they were to report. In Denmark, May (2005) stated that performance contracting was embraced in the public service to

improve efficiency and increase policy control. In the United States, the performance contracting is contained in the Government Performance and Results Act of 1993 and was aimed at increasing the productivity of the federal departments to boost citizenly confidence in its government.

Grapinet (1999) as cited in Macharia, Gakure, and Orwa (2013) posited that performance contracting in France begun in the Directorate General for Taxes, where it was aimed at addressing two main concerns. First, it was aimed at exerting pressure on the whole service network to improve performance. Secondly, it was a tool to enhance consistency in the decentralised organisational context.

In Africa, Kobia and Mohammed (2006) noted that several countries including Gambia, Nigeria, Ghana and Kenya have adopted performance contracting to manage their public service. The authors noted that the embracement of this initiative was due to the poor performance of public agencies, thus calling for a comprehensive public sector reforms strategy. Ndung'u (2009) pointed out that the East African Community which comprised Kenya, Tanzania and Uganda adopted a common 2008/2009 performance contract stipulating the expectations of the member states and commitment for a common achievement including the execution of Strategic Plan 2007-2012 that aimed at ensuring that the right work plans were developed on the grounds of comprehensive performance targets.

In Kenya, performance contracting traces back in 1990 when the concept was conceived under the Cabinet Memorandum No. CAB (90) 35, which was aimed at changing and improving the manner in which activities were being done, developing new behaviour patterns and cultivation of positive attitude work ethics in the whole public service (Kobia & Mohammed, 2006). In 2001, the government launched the strategy for performance improvement in the public service as a means of implementing the public service reform programs. The strategy aimed at improving service delivery and productivity by outlaying the necessary actions for a long lasting and sustainable change in the delivery of services. According to the GoK (2003) the performance contract is a negotiated performance agreement between the state and the employees of public agencies through which the targets, mutual performance obligations and responsibilities. Among the expected outcomes following the implementation of the performance contract are: improved efficiency in resource utilization, improved service delivery, performance measurement and evaluation, institutionalization of a performance-oriented culture in the public service, linking rewards to performance, elimination or retention of reliance of public agencies on exchequer funding as well as instilling accountability for results in all government departments and corporations. Kakamega County, which is among the 47 counties in Kenya and the second most populous has a performance contract program for measuring performance against the negotiated targets as stipulated in its County Integrated Development Plan (County Government of Kakamega, 2013). The County uses the balanced scorecard, performance pyramid, and performance prism as tools to measure performance of its employees (CIDP, 2013-2017).

***Problem Statement:***

The prosperity of an economy is dependent on the performance and productivity of individuals and entities. Under its vision 2030 roadmap, Kenya aims at attaining a higher and sustained economic growth of 10% annually. However, the GDP growth rate has been declining and is even below 6% (Macharia, Gakure, & Orwa, 2013). According to the GoK (2003), the public sector has performed poorly over the years, especially in the public resources management which has hindered the economic growth. Ndung'u (2009) pointed out that the government was facing challenges in improving service delivery to its citizenly using fewer resources. Among the various macroeconomic factors, Lienert (2003) noted that the service delivery was constrained by human resources factor in terms of the number of manpower and shortage of key competencies. Omolo (2010) added that there was a decline in the labour productivity despite the rise in the employment levels. The declining responsiveness of employment to growth in GDP in Kenya and the need to make effective performance contracting a priority so as to drive up the performance at County Government of Kakamega has necessitated the research. Therefore, this study sought to determine the role of skills development as an element of performance contracting on effective performance of Kakamega County Government.

***Objective of the Study:***

To determine whether skills development has an effect on effective performance of Kakamega County Government

***Study Hypothesis:***

H0: Skills development does not lead to effective performance at Kakamega County Government

## II. LITERATURE REVIEW

### *Theoretical Framework:*

#### *a) Goal Setting Theory:*

It was first put forward by Edwin Locke in 1960s before Locke and Lathan put it in a more comprehensive description in 1990 (Landy & Conte, 2010). Saleemi (2006) stated that as per the goal setting theory, the workers are assessed on the grounds of their performance towards the achievement of the agreed upon objectives. As argued by Locke (2009), difficult but specific targets are associated with significantly higher performance as compared to easy goals or abstract ones such as asking the workers to do their best. The theory also postulates that employees enter into discussions with their managers on the performance targets and the time required frame. Armstrong (2006) noted that the involvement of employees in goal setting was essential in agreeing to setting of higher targets. In performance contracting, this theory is applied when the leaders and employees negotiate and set the desired targets (Mbua & Sarisar, 2013). Obony'o (2009) stated that workers adjust their efforts to the goals level for which they are striving to achieve.

#### *b) Expectancy Theory of Motivation:*

In 1964, Vroom developed the Expectancy Theory of Motivation proposing that high performance and subsequently greater productivity of an individual is based on high motivation as well as the possession of the right skills and abilities. The theory is applied in predicting job satisfaction, individual's occupational choice, probability of remaining on the job and the effort one uses at work. According to Buytendijk (2009) the theory offers guidelines for enhancing workers' motivation by changing one's effort-to-performance expectancy, performance to reward expectancy, and reward valences. The managers are required to make possible for the desired goals to be attained by employing workers with the right skills and knowledge but offering the necessary training, sufficient resources and time, paying attention to workers' suggestions about the job, and addressing hindrances to the attainment of goals.

### *Skills Development and Performance Contracting:*

Armstrong (2006) defined skills management as the practice of understanding, developing as well as deploying individuals and their skills. Simiyu (2012) stated that well-implemented skills development exercise must identify the skills that a given job demands, the employee's skills and the gap between these two. In skills development, the supervisor and the worker identify and concur on the required learning and information for the employee to meet their performance and the business needs. Skills development is achieved through a systematic training approach that involves various processes and stages, but which are complementary. An orderly schedule that incorporates all essential details is developed. As noted by Kobia (2006) the main stages in skills development include the identification of training needs, planning and designing a training program, execution of training and evaluation of results. Appraising subordinates and their performance is part of the manager's work. Indeed unless he does the appraising himself he cannot adequately discharge his responsibilities for assisting and training his subordinates (Lorsch, 2002). This activity can be coupled with training and development within County Government of Kakamega to ensure that there is evident improvement and progress in the working procedures that is reflected in the kind of service being offered to the customers (HR Manual, 2013).

### *Empirical Review:*

In a retrospective design through indirect observation, Gambo (2015) conducted a study to establish the impact of training and development on the productivity of Nigerian universities' workers. The results showed that the training and development programs that were undertaken improved employees' skills and technical knowhow, and productivity at workplace. Through a cross-sectional and quantitative research method, Abeba, Mesele, and Lemessa (2015) conducted a study on the impact of training and development on performance and effectiveness of employee from District Five Administration Office, Bole Sub-City in Addis Ababa, Ethiopia. The correlation analysis results showed that training and development had positive and significant relationship with employees' performance and effectiveness.

Falola, Osibanjo, and Ojo (2014) carried out a study to assess the effectiveness of training and development on performance of employees and organisation competitiveness in the Nigerian Banking Industry using descriptive research method. Their results were that a strong relationship subsisted between the training and development, productivity of the

workers and the competitive advantage. In a case study at ESCON Consulting to determine the impact of training and development on employee's performance Kum, Cowden, and Karodia (2014) found that when the right training was conducted on a continuous basis, the employee performance in the organisation improved.

Simiyu (2012) carried out a study to establish the effect of performance contracting on the service delivery in Kenyan local authorities using a survey research design. Among the variables studied, the results indicated that higher level of education, knowledge and skills had a higher and positive relationship with performance. Mwandia and Maitho (2012) conducted a study to determine factors influencing performance contracts on Kenya public management service delivery with Ewaso Ng'iro North Development Authority as the case study. The results revealed that skills development as well as the training influenced the delivery of services. Using a survey research design, Githiji (2014) conducted a study to find out the contribution of training on the performance of international civil servants with a focus on employee at the United Nations Support Office for the African Union Mission in Somalia. The results revealed that training affected the employees' performance positively as it influenced their engagement to change process and enhance innovation and enthusiasm to work.

### III. RESEARCH METHODOLOGY

As noted by Powell (1997) descriptive survey research design was adopted to assess the association between the variables of study-performance contracting and effective performance.

The choice of descriptive survey design was suitable in this study as it was used in the collection of data about variables of subjects as they are found in a social system; hence describing the state of affairs as they exist and association between the variables (Mangal & Mangal, 2013). Additionally and as noted by Weiss, Isaac, Parkar, Chowdhury and Raguram (2001) it helped in ensuring relevant data was obtained from the sampled population which was later used to make generalizations on the target population.

The study was conducted in Kakamega County, which is located in the western part of Kenya, and whose geographical coordinates are 0° 17' 0" North, 34° 45' 0" East. The target population was 470 individuals comprising top management and staffs drawn from the County's headquarters. A stratified sampling technique was used since the target population involved individuals of different cohorts, and as noted by Oso and Onen (2009) this sampling technique is used when the population is homogeneous. It breaks the population into groups of similar characteristics. In this study the target population of interest was composed of various cadres namely; top level management and other staffs. Further, as noted by Mugenda and Mugenda (2003) that a 10-30% of the population can be used for inference purposes, the researcher found a 20% of the target population to be enough for generalisation purposes. The sample size was also appropriate because each employee in the strata had an opportunity of being selected, and the departments were well represented.

**TABLE I: SAMPLE SIZE**

Department	No. of employees	Percentage	Sample size
Top management	25	20%	5
Middle level	85	20%	17
Lower level	360	20%	72
Total	470		94

The data was collected using close-ended questionnaires that captured questions assessing factors influencing performance management, and a five point-Likert scale used 1 -strongly disagree, 2-disagree, 3-neutral, 4- agree, and 5-strongly agree. The reliability of questionnaire was established by computing the Chronbach's Alpha using Statistical Package for Social Sciences (SPSS) version 21. As shown in Table 3.2, a value of 0.839 was obtained indicating high level of reliability.

**TABLE II: RELIABILITY TEST**

Cronbach's Alpha	No. of Items
.839	12

The data was analysed using descriptive as well as the inferential statistics. Specifically, the descriptive statistics were in the form of percentages, frequencies, means and standard deviation while the inferential statistics was correlation and regression analysis. A simple linear regression equation was as follows:  $Y = \alpha + \beta_1 X_1 + \epsilon$ , where, Y= performance,  $\alpha$  (alpha) = constant,  $\beta_1$ =beta,  $X_1$ =skills development and  $\epsilon$ = error.

#### IV. RESULTS PRESENTATION, ANALYSIS AND DISCUSSION

TABLE III: RESPONSE RATE

Section	Target respondents	Successful	Response rate (%)
Top level management staff	5	5	100.00
Middle level staff	17	16	94.12
Operation staff	72	70	97.22
<b>Total</b>	94	91	96.81

Overall, the researcher had administered 94 questionnaires to 5, 17 and 72 respondents in the top level management, middle level and operations respectively. Out of these 94 questionnaires, 91 were completely filled up and collected. As shown in table 4.1, the top level management staff had a response rate of 100%, middle level had 94.12% and operations had 97.22%. As noted by Overall, the researcher was satisfied with the response rate of 96.81%.

##### Skills Development:

TABLE IV: SKILLS DEVELOPMENT ACTIVITIES THAT AFFECT PERFORMANCE

Activity	N	Mean	Std. Deviation
Adequate policies on employee training and development	91	3.5934	.9307
Definitive, clear and easily understood skills development procedures and policies	91	3.4725	.9700
Presence of an appraisal system to identify training needs	91	3.6703	.8440
Opportunities to employees to discuss skills development needs with employer	91	3.5055	.8740
Aggregate	91	3.5604	0.9047

Results in Table 4.4 indicate that the respondents agreed that the presence of adequate policies on employment training and development, presence of an appraisal system to identify training needs, availability of definitive, clear and easily understood skills development procedures and policies, and opportunities to employees to discuss skills development needs with the employer were crucial skills development practices conducted by Kakamega County Government with a mean of 3.59, 3.67, 3.47 and 3.5 respectively. The standard deviation results in Table 4.4 indicate that there was no deviation on the respondents' responses regarding the presence of the skills development practices listed above in Kakamega County Government. On aggregate, a mean of 3.56 agreed that the effective performance in Kakamega County Government was affected by the presence of skills development activities. This was supported by a standard deviation of 0.90 that indicates higher agreement levels on the effect of skills development on the effectiveness of performance in Kakamega County Government.

##### Correlation Analysis: Relationship between Skills Development and Performance:

TABLE V: RELATIONSHIP BETWEEN SKILLS DEVELOPMENT AND PERFORMANCE

		Performance	Skills development
Spearman's rho	Performance	1.000	
	Skills development	.664**	1.000

\*\* . Correlation is significant at the 0.01 level (2-tailed). N=91

Table 4.6 shows the correlation between performance contracting practices and performance in Kakamega County Government. It is observed that at 99% confidence interval, skills development practices had positive and significant relationship with the performance in Kakamega County Government at 0.664 and  $P = 0.00 < 0.01$ . These results concur with Mwandia and Maitho (2012) that work planning element of performance contracting was the most significant item that affected performance. In addition, the findings concur with Maina (2012) who found that appropriate training across all cadres of employees a necessary factor for effective working of performance contracting.

**Regression Analysis: Regression Results of Skills Development and Effectiveness of Performance:**

**TABLE VI: REGRESSION RESULTS OF SKILLS DEVELOPMENT AND EFFECTIVENESS OF PERFORMANCE**

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.536 <sup>a</sup>	.287	.279	.96364		
a. Predictors: (Constant), Skills development						
ANOVA <sup>a</sup>						
		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.232	1	33.232	35.788	.000 <sup>b</sup>
	Residual	82.645	89	.929		
	Total	115.877	90			
a. Dependent Variable: Performance						
b. Predictors: (Constant), Skills development						
Coefficients <sup>a</sup>						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.790	.514		1.537	.128
	Skills development	.846	.141	.536	5.982	.000
a. Dependent Variable: Performance						

Table 4.9 indicates  $R^2$  of 0.287 indicating that 28.7% of performance effectiveness could be explained by the adoption of skills development performance contracting element. Further results show that the correlational coefficient (R) is 0.536 implying that skills development practices had a positive effect on the performance effectiveness. The results agree with findings by Simiyu (2012) that higher level of education, knowledge and skills had a higher and positive relationship with performance. They also concur with Mwandia and Maitho (2012) who established that skills development as well as the training influenced the delivery of services.

The ANOVA results in Table 4.9 indicate that the overall regression model was feasible in measuring the study variables since the technology adoption regression results are significant at 99% confidence level ( $F=35.788$ ,  $p=0.00$ , where  $p<0.01$ ). From the results of the regression coefficients, the simple linear regression model can be written as;  $Y = 0.79 + 0.846X_2 + \epsilon$ . The beta value of 0.846 indicates that every 0.846 units of skills development use leads to a corresponding 1 unit increase in performance effectiveness in Kakamega County and it was significant at 1% significance level. Therefore, this study rejects the second null hypothesis that;  $H_{02}$ : skills development does not contribute to effective performance at Kakamega County Government.

**V. SUMMARY, CONCLUSION AND RECOMMENDATIONS**

The study sought to establish the effect of skills development on performance effectiveness in Kakamega County Government. The study findings depicted that skills development practices at the County included the presence of adequate policies on employment training and development, presence of an appraisal system to identify training needs, availability of definitive, clear and easily understood skills development procedures and policies, and opportunities for employees to discuss skills development needs with the employer, and were linked to the effective performance in Kakamega County Government. The correlation and regression analysis results also indicated that skills development had positive and significant relationship with the performance in Kakamega County Government. The study concludes that skills development practices are crucial components of performance contracting that affect the performance effectiveness. The study recommends that Kakamega County should develop and train its human resources and source for highly qualified individuals who will adopt performance contracting for effective performance.

## REFERENCES

- [1] Abeba, M. A., Mesele, D. A., & Lemessa, B. (2015). The impact of training and development on employee performance and effectiveness: A case study of District Five Administration Office, Bole Sub-City, Addis Ababa, Ethiopia. *Journal of Human Resource and Sustainability Studies*, Vol. 3, 188-202.
- [2] Aosa, E. (2000). *Development of strategic management: A historical perspective*. Nairobi: University of Nairobi.
- [3] Armstrong, M. (2006). *Performance management: Key strategies and practical. Guidelines, 3rd Ed.* London: Kogan Page Ltd.
- [4] County Government of Kakamega. (2013). *The first county integrated development plan (CIDP) 2013-2017*. Kakamega: County Government of Kakamega.
- [5] Falola, H., Osibanjo, A., & Ojo, S. (2014). Effectiveness of training and development on employees' performance and organisation competitiveness in the Nigerian Banking Industry. *Series V: Economic Sciences*, Vol. 7 (56), 161-170.
- [6] Gambo, H. S. (2015). The impact of training and development on workers' productivity. *Review of Public Administration and Management*, Vol. 3 (1), 1-4.
- [7] Githiji, A. (2014). *Effects of training on employee performance: A case study of United Nations Support office for the African Union Mission in Somalia*. Nairobi: Unpublished Thesis.
- [8] GoK. (2003). *Economic recovery strategy for wealth and employment creation*. Nairobi: Government Printer.
- [9] Kobia, M., & Mohammed, N. (2006). The Kenyan Experience with performance contracting. *28th African Association for Public Administration and Management Annual Roundtable Conference* (pp. 1-23). Arusha: African Association for Public Administration and Management.
- [10] Kum, F., Cowden, R., & Karodia, A. M. (2014). The impact of training and development on employee performance: A case study of ESCON Consulting. *Singaporean Journal of Business Economics and Management Studies*, Vol. 3 (3), 72-105.
- [11] Landy, F. J., & Conte, J. M. (2010). *Work in the 21st century: An introduction to industrial and organizational psychology*. Hoboken, New Jersey: John Wiley & Sons.
- [12] Lienert, I. (2003). Civil service reform in Africa: Mixed results after 10 years. *International Monetary Fund Finance and Development*, Vol. 35 (2).
- [13] Macharia, S., Gakure, R., & Orwa, G. (2013). Role of performance contracting on organizational productivity in the civil service in Kenya. *Journal of Humanities and Science*, Vol. 16 (6), 102-109.
- [14] Mangal, S. K., & Mangal, S. (2013). *Research methodology in behavioural sciences*. New Delhi: PHI Learning Pvt. Ltd.
- [15] May, P. (2005). *Best practice and trends in performance based contracting*.
- [16] Metawie, M., & Glman, M. (2005). Problems with implementation of performance measurement systems in the public sector where performance is linked pay: A literature review drawn from the UK. *Conference on Performance Measurements and Management*, (pp. 1-24). Nice.
- [17] Mwandia, K., & Maitho, T. (2012). *Factors influencing performance contracts on Kenya public management service delivery: A case of the Ewaso Ng'iro North Development Authority, Kenya*. Nairobi: Department of Extra Mural Studies, Nairobi University.
- [18] Ndung'u, M. N. (2009). *Performance management and contracting, Kenyan perspective*. Nairobi: Jitegemea Press.
- [19] Omolo, J. (2010). *The dynamics and trends of employment in Kenya*. Nairobi: Institute of Economic Affairs.
- [20] Powell, R. R. (1997). *Basic research methods for librarians*. Santa Barbara, California: Greenwood Publishing.
- [21] Simiyu, A. N. (2012). *Performance contract as a tool for improving performance in local authorities in Kenya*. Nairobi: Unpublished Phd thesis.