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PERFORMANCE CONTRACTING AND SERVICE DELIVERY IN COAST REGION TECHNICAL AND VOCATIONAL EDUCATION TRAINING INSTITUTIONS-KENYA

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ABSTRACT

This study studied the relationship between performance contracting and service delivery in public Technical and Vocational Education and Training (TVET) institutions under the national government in Kenya's Coast Region. The research was anchored on four key components of performance contracting: goal setting, target communication, performance appraisal & monitoring and evaluation. A descriptive research design was employed, targeting all the 20 accredited public TVET institutions as of January 2023, with data collected from 80 senior staff of these TVET institutions. Each institution had 4 participants (Principal, Registrar, performance contracting coordinator and the finance officer). Data was collected using structured questionnaires and was administered through the drop and pick later method by trained research assistants. Once the questionnaires were received from the data collection exercise, they were entered into a statistical software in readiness for analysis. Data analysis was conducted using SPSS Version 27, employing descriptive statistics, Pearson correlation & multiple regression analysis, with robustness checks for reliability and validity. The study established that goal setting, target communication, performance appraisal & monitoring and evaluation significantly influenced service delivery in TVET institutions in the Coast Region, with respondents indicating that these practices were clearly defined, well aligned & consistently applied. The findings showed that structured performance contracting improved staff motivation, accountability & feedback processes, although limitations were observed in staff participation in goal formulation and in the linkage between appraisal outcomes and tangible rewards. The study concluded that effective implementation of performance contracting components enhanced overall institutional service delivery. It was recommended that TVET institutions strengthen inclusive goal-setting processes, improve the timeliness of feedback & reinforce the connection between performance appraisal results and reward systems to sustain performance improvements. Further research was recommended to investigate additional factors affecting service delivery, as performance contracting explained 58% ($R^2 = 0.580$) of the variation in institutional service delivery.

Keywords: *Performance Contracting, Goal Setting, Target Communication, Performance Appraisal, Monitoring & Evaluation, Service Delivery*

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INTRODUCTION

Public institutions worldwide are expected to provide efficient, timely, and high-quality services, particularly in critical sectors such as education and training (World Bank, 2023). Despite numerous reforms, many institutions continue to face operational delays, coordination weaknesses, and stakeholder dissatisfaction (AfDB, 2023). To address these challenges, governments have increasingly adopted performance contracting frameworks designed to align institutional activities with measurable service outcomes. These frameworks emphasize goal setting, target communication, appraisal, and monitoring to enhance accountability, transparency, and efficiency (Public Service Commission, 2023; Kiprop & Kithinji, 2022). Within education and training systems, performance contracting is intended to improve both academic performance and administrative responsiveness. However, evidence regarding its effectiveness remains mixed, particularly in resource-constrained settings, making continued investigation necessary.

Technical and Vocational Education and Training (TVET) institutions in Kenya play a central role in workforce development, skills training, and youth employability. By the 2023/2024 financial year, Kenya had over 2,600 accredited TVET institutions, with public enrollment reaching 406,649 trainees, reflecting strong growth in demand for technical skills. Despite this expansion, service delivery challenges persist, including delays in admissions, slow certification processes, inadequate student support, and staff shortages (Omondi & Njuguna, 2022). A major constraint is the trainer deficit, with an estimated trainer-to-trainee ratio of 1:55 compared to the recommended 1:25 (Machogu, 2024). Such limitations undermine training quality, learner satisfaction, and institutional performance, highlighting the need for strengthened management systems.

Performance contracting theoretically improves institutional effectiveness by linking operations to clear service expectations, motivating staff, and improving responsiveness (Mwangi & Kihara, 2023). In TVET institutions, effective implementation should lead to faster administrative processes, improved accountability, and stronger stakeholder engagement. Nevertheless, empirical studies examining how performance contracting affects service delivery in Kenya’s TVET sector remain limited. Most existing research focuses on universities or general public service institutions, leaving a gap in understanding its impact within technical training environments.

Kenya’s TVET network includes national polytechnics, technical training institutes, vocational training centers, and county-run institutions. Although enrollment has risen sharply, the sector faces a shortage of over 9,000 trainers and significant disparities in infrastructure, staffing, and management capacity. Larger institutions tend to have stronger systems, while smaller ones often struggle with weak administrative processes and limited performance monitoring. Although government reforms have introduced performance contracting to improve accountability, many institutions face difficulties in setting realistic targets, conducting staff appraisal, and maintaining systematic monitoring (Wekesa & Kiruja, 2023; Muthoni & Wafula, 2023).

In Kenya’s coastal region, where 20 public TVET institutions operate across five counties, service delivery challenges remain evident. Institutions frequently experience slow admissions, delayed examinations, and late certification issuance, compounded by infrastructure constraints and limited administrative capacity (Njuguna & Wambua, 2022). While performance contracts are formally signed, implementation often remains superficial due to limited staff involvement, inadequate training, and weak monitoring systems (Wanyoike et al., 2023). These persistent challenges highlight the need to examine how performance contracting indicators influence service delivery outcomes. This study therefore investigates the relationship between performance contracting practices and institutional service performance in public TVET institutions within Kenya’s coastal region.

Statement of the Problem

Globally, countries like New Zealand and the UK have applied performance contracts to improve quality and accountability in post-secondary education systems (World Bank, 2023). In Africa, Rwanda and Ghana have reported increased efficiency and better learning outcomes in vocational institutions following structured performance management practices (AfDB, 2023; Owusu & Danquah, 2023). Kenya adopted performance contracting in 2004, aiming to improve public service performance, including in the education and training sectors (Public Service Commission, 2023). Since then, institutions such as universities and middle-level colleges have been evaluated annually against service delivery targets. However, despite these reforms, significant service delivery gaps remain in public training institutions.

TVET institutions remain suboptimal, with only 57% of public organizations meeting their key targets (State Department for Public Service, 2023). Existing research has predominantly examined performance contracting in ministries and state corporations (Omondi & Ochieng, 2023; Were & Kiruja, 2022) or focused on single elements like goal setting (Latham & Locke, 2021) or appraisal (Osei & Boateng, 2022) in isolation. However, the combined influence of key variables; goal setting, communication, staff appraisal & performance monitoring on service delivery is not well understood. This gap is particularly acute for public TVET institutions in Kenya's Coast region, a context largely overlooked in prior studies. This study therefore sought to address this gap by examining how performance contracting influence service delivery in public TVET institutions in Kenya’s coast region.

Objectives of the Study

The general objective of this study was to examine the influence of performance contracting on service delivery in public TVET institutions in the coast region of Kenya. The specific objectives were;

- To assess the effect of goal setting on service delivery in public TVET institutions in the coast region of Kenya.
- To examine the influence of target communication on service delivery in public TVET institutions in the coast region of Kenya.
- To evaluate the effect of performance appraisal on service delivery in public TVET institutions in the coast region of Kenya.
- To determine how monitoring and evaluation influence service delivery in public TVET institutions in the coast region of Kenya.

The study tested the following null hypothesis.

- **$H_{o}1$:** Goal setting has no significant effect on service delivery in public TVET institutions in the Coast Region of Kenya.
- **$H_{o}2$:** Target communication has no significant effect on service delivery in public TVET institutions in the Coast Region of Kenya.
- **$H_{o}3$:** Performance appraisal has no significant effect on service delivery in public TVET institutions in the Coast Region of Kenya.
- **$H_{o}4$:** Monitoring and evaluation has no significant effect on service delivery in public TVET institutions in the Coast Region of Kenya

LITERATURE REVIEW

Theoretical Review

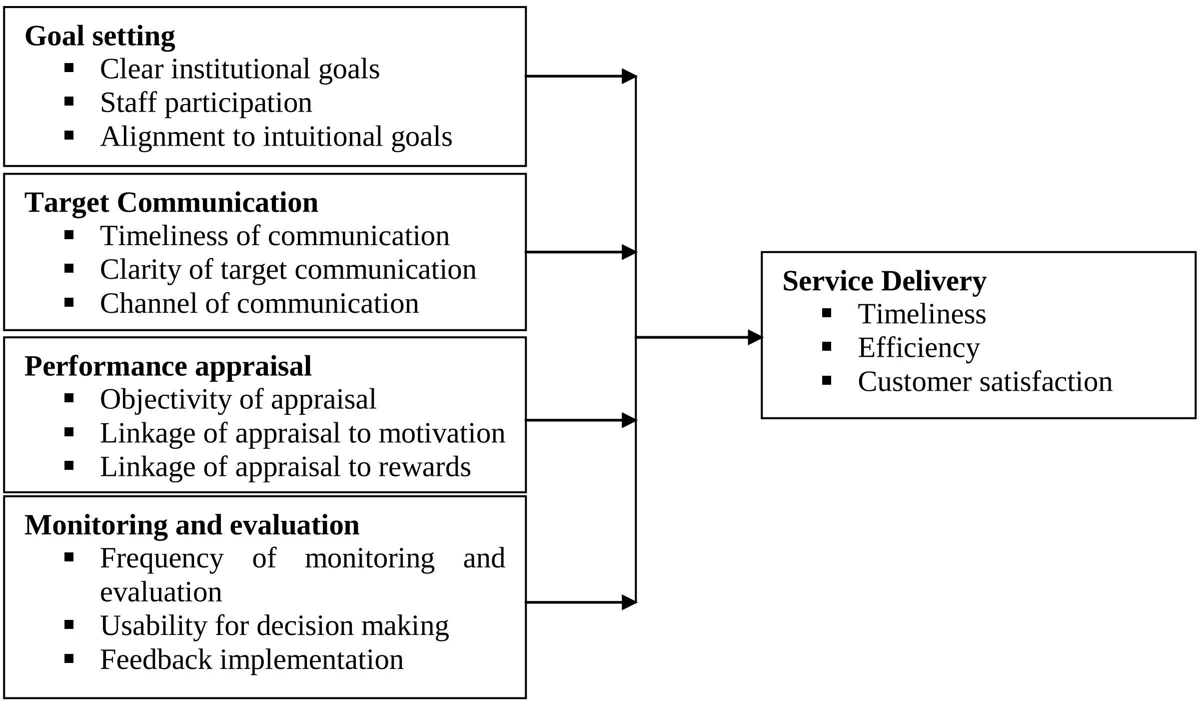
This study is anchored on four complementary theories: Goal-Setting Theory, Principal–Agent Theory, Results-Based Management (RBM) Theory, and Systems Theory. Together, they provide a multi-dimensional lens for understanding how performance contracting influences service delivery in public TVET institutions. Goal-Setting Theory, advanced by Locke (1968) and later refined by Locke and Latham (1990), posits that specific, challenging, and well-communicated goals improve employee performance through direction, effort, and commitment. Contemporary studies confirm that participatory and measurable targets enhance accountability and institutional outcomes in public organizations (Nyatichi & Nyakundi, 2021; Mwangi & Kibet, 2023). In education institutions, structured goal setting strengthens service efficiency and responsiveness. However, critics note that rigid targets may suppress flexibility, overlook teamwork, and create stress where resources are limited (Otieno & Karuoya, 2021; Mugendi & Kihoro, 2023). In this study, the theory explains how clearly defined institutional targets under performance contracts may influence service quality and stakeholder satisfaction in TVETs.

Principal–Agent Theory, developed by Jensen and Meckling (1976), explains relationships in which some principal delegates responsibilities to agents and uses contracts, monitoring, and incentives to ensure accountability. In the TVET sector, the government acts as the principal while institutional leaders and staff serve as agents responsible for delivering training services. The theory supports the use of performance agreements, appraisal systems, and reporting structures to align institutional actions with national objectives (Kimathi & Wamalwa, 2022). Nonetheless, critics argue that excessive reliance on monitoring and incentives may ignore intrinsic motivation and professional ethics in education (Odhiambo & Rotich, 2023). The theory therefore helps examine how contractual accountability mechanisms shape service delivery outcomes.

Results-Based Management (RBM) Theory, widely adopted by development agencies, emphasizes planning, monitoring, and evaluating programmes based on measurable outcomes rather than activities (UNDP, 2021). RBM promotes evidence-based decision making, stakeholder participation, and continuous improvement (Obonyo & Simiyu, 2022). Although it may overemphasize quantifiable indicators or create short-term target pressure (Wainaina & Koech, 2022), the framework closely mirrors performance contracting cycles and supports assessment of institutional effectiveness.

Finally, Systems Theory (von Bertalanffy, 1968) views organizations as interconnected systems where policies, staff, resources, and processes interact through feedback loops and adaptation mechanisms. Modern applications highlight organizational interdependence and holistic performance management (Mulei & Muturi, 2021). In this study, the systems perspective explains how goal setting, monitoring, staffing, and institutional resources jointly influence service delivery, enabling identification of structural bottlenecks and integrated improvement strategies.

Conceptual Framework



Independent Variable **Dependent Variable**

Figure 1: Conceptual Framework

Empirical Review

Empirical studies demonstrate that performance contracting components—goal setting, target communication, performance appraisal, and monitoring and evaluation (M&E)—play significant but varied roles in shaping organizational service delivery.

Research on goal setting consistently shows that clear, specific, and challenging targets improve employee performance and institutional outcomes (Latham & Locke, 2021). Studies in Pakistan and Ghana found that structured institutional goals enhanced output, accountability, and stakeholder satisfaction, though effectiveness declined where alignment and participation were weak (Ahmed & Akhtar, 2023; Osei & Boateng, 2022). African evidence similarly indicates that measurable targets improve efficiency and accountability in higher education institutions, although limited resources and top-down target imposition may reduce staff commitment (Adeyemi & Oladipo, 2021; Ncube & Dlamini, 2022). Kenyan studies confirm that goal clarity strengthens motivation and resource utilization in public institutions but rarely examine TVET service delivery directly, leaving an empirical gap (Kiptoo & Rono, 2023; Njeru & Gichohi, 2022).

Regarding target communication, global studies show that transparent communication aligns staff effort with institutional priorities and improves accountability and responsiveness (Brown & Peterson, 2022; Gonzalez & Ramirez, 2021). African research highlights that participatory communication enhances motivation, while hierarchical or poorly structured communication reduces performance (Kato & Namusoke, 2022; Tekle & Alemu, 2021). Kenyan evidence links strong internal communication to improved institutional responsiveness but provides limited analysis within performance contracting frameworks in TVETs (Omollo, 2021; Wambua & Chebet, 2022).

Studies on performance appraisal indicate that fair, feedback-oriented systems enhance staff commitment, teaching quality, and accountability (Davis & Scott, 2022; Lee & Park, 2023). African research confirms that appraisal improves responsiveness when transparent and developmental, though inadequate training and compliance-driven approaches often limit impact (Adeyemi & Oladipo, 2021; Joseph & Mbwambo, 2022). Kenyan studies similarly report fragmented implementation and weak linkage to service outcomes in TVET institutions (Mugendi & Muriithi, 2021).

Finally, monitoring and evaluation systems provide continuous feedback that strengthens institutional planning, transparency, and service efficiency (Johnson & Turner, 2022; Singh & Patel, 2023). African and Kenyan evidence acknowledges M&E's value but highlights implementation challenges, limited expertise, and weak integration with performance contracting (Ncube & Dlamini, 2022; Omondi & Ochieng, 2023).Overall, existing research supports the importance of these components but reveals limited empirical evidence linking them directly to service delivery in Kenya's coastal TVET institutions, justifying the present study.

METHODOLOGY

The study adopted a descriptive research design to examine how goal setting, target communication, performance appraisal, and monitoring and evaluation influence service delivery in public TVET institutions. Descriptive designs are appropriate for analysing existing institutional conditions and generating both descriptive and inferential insights for management decision-making (Creswell & Poth, 2022).

The target population comprised 20 accredited public TVET institutions in Kenya's Coast region, focusing on principals, registrars, finance officers, and performance contracting coordinators due to their direct involvement in performance management processes (TVETA, 2023; Saunders et al., 2021). A census approach selected all institutions, yielding 80 respondents. Data were collected using structured questionnaires and analysed in SPSS using descriptive statistics and multiple regression to determine predictor effects on service delivery (Wangari & Koskei, 2022). Pilot testing confirmed instrument validity and reliability (Bryman, 2021; Polit & Beck, 2021).n

FINDINGS AND DISCUSSION

Response Rate

This section presents the response rate of the questionnaires distributed to respondents in TVET institutions within the Coast Region of Kenya.

Table 1: Response Rate of the Study

Questionnaires Distributed	Questionnaires Returned	Questionnaires Not Returned	Percentage of response (%)
80	66	14	82.5

Source: Research Data (2025)

The results in Table 1 indicate that 66 out of the 80 questionnaires distributed were returned, representing a response rate of 82.5 per cent. This shows that most respondents actively participated in the study, which ensured that sufficient data was available for meaningful analysis. The unreturned 14 questionnaires, accounting for 17.5 per cent, could be attributed to busy work schedules or limited time to complete the questionnaire. According to Saunders et al. (2023), a response rate above 70 per cent is considered satisfactory for academic research, as it enhances representativeness and the validity of findings. The achieved rate, therefore, demonstrates a high level of cooperation from the targeted institutions and respondents. It also reflects the interest of TVET staff in performance contracting matters and their perceived relevance of the study to institutional improvement. A high response rate also minimizes non-response bias, improving the reliability of conclusions drawn. These results therefore provide a strong foundation for subsequent data analysis and interpretation in this study

Descriptive Analysis

This section presents the descriptive analysis of the key variables of the study. It aimed to determine how respondents in TVET institutions within the Coast Region perceive and implement various components of performance contracting

Goal Setting

This subsection presents the descriptive results on the effect of goal setting on service delivery in TVET institutions.

Table 2: Descriptive Statistics on Goal Setting

Statement on Goal Setting	SD	D	N	A	SA	Mean	SD
Goals in my institution are clearly defined and measurable	2%	4%	8%	46%	40%	3.98	0.79
Staff are actively involved in setting institutional goals	4%	8%	12%	50%	26%	3.72	0.85
Institutional goals are realistic and achievable within given timeframes	3%	5%	10%	52%	30%	3.88	0.81
Goal setting in my institution motivates staff to improve performance	2%	5%	9%	50%	34%	3.95	0.76
There is a clear alignment between institutional and national policies	1%	5%	8%	55%	31%	3.91	0.74
Regular review of goals ensures they remain relevant	2%	6%	10%	53%	29%	3.84	0.80
Overall						**3.88**	

Source: Research Data (2025)

The descriptive results show that respondents widely agree that institutional goals are clearly defined and measurable, with 46% agreeing and 40% strongly agreeing (mean = 3.98). Similarly, the item on goal setting motivating staff received strong support, with 50% agreement and 34% strong agreement (mean = 3.95), suggesting that staff see goals as drivers of productivity. The overall high mean (3.88) indicates that respondents generally perceive goal setting as an important aspect of performance management. These findings align with the argument by Armstrong (2020) that clarity and specificity in goals improve employee performance through enhanced focus. Additionally, the belief that institutional goals are realistic and achievable (mean = 3.88) supports the idea that attainable objectives influence staff commitment positively. High agreement on the alignment between institutional and national policies (mean = 3.91) suggests adherence to policy directives, consistent with the view that alignment enhances organizational coherence. Regular review of goals (mean = 3.84) indicates proactive management efforts to maintain relevance over time. The consistency in high responses across these items shows that clear and structured goals are central to institutional planning.

Despite these positive perceptions, staff involvement in goal formulation recorded lower agreement, with 50% agreeing and 26% strongly agreeing (mean = 3.72), indicating that decision-making may be predominantly top-down. This limited participation suggests that employees may feel less ownership of institutional goals, which can weaken intrinsic motivation. This aligns with Bess and Dee (2019), who emphasized that organizational systems are enhanced when formal mechanisms are supported by strong interpersonal interactions. The lower involvement could reduce engagement; as participatory goal setting has been associated with improved commitment in many organizational contexts. However, the relatively small variation in responses shows uniform perceptions across the sample regarding involvement. These results indicate that while goals are clearly stated, staff engagement in their formulation is limited and may benefit from more inclusive practices. Overall, this mix of formal clarity and informal support highlights the complexity of goal-setting dynamics in institutional performance.

The findings also demonstrate that aspects of goal setting extend beyond clarity to influence adaptability and policy compliance. The high level of agreement with regular goal review (mean = 3.84) suggests that institutions actively assess and adjust targets in response to changing environments, echoing the emphasis by Poister (2021) that continuous assessment enhances organizational adaptability. Likewise, the strong perception of alignment with national goals (mean = 3.91) implies that institutional planning aligns with broader policy frameworks, supporting coordination between institutional and national objectives. The high motivational responses (mean = 3.95) further show that staff see value in structured goal practices for guiding performance. These findings together reflect that goal setting in TVET institutions is not only procedural but also linked to institutional culture and strategic direction. The use of clear, aligned & regularly reviewed goals suggests these practices contribute to coherent planning and effective implementation. Although staff participation is comparatively lower, the overall perception of goals remains positive. Therefore, the descriptive analysis reveals that goal setting in Coast Region TVETs is well embedded in organizational culture and linked to both motivation and policy alignment.

Target Communication

This subsection analyses the communication of performance targets within Coast Region TVET institutions.

Table 3: Descriptive Statistics on Target Communication

Statement on Target Communication	SD	D	N	A	SA	Mean	SD
Performance targets are communicated clearly to all staff members	3%	5%	10%	46%	36%	3.92	0.77
Staff understand the expectations set in their performance targets	4%	6%	10%	44%	36%	3.86	0.83
Information on targets is shared on time	6%	9%	24%	34%	27%	3.74	0.80
Communication channels for performance targets are accessible	2%	5%	6%	44%	38%	3.89	0.78
Staff receive regular updates about target changes	7%	11%	18%	33%	31%	3.67	0.86
Target communication ensures consistency across departments	5%	8%	17%	41%	29%	3.82	0.84
Overall Mean						**3.82**	

The descriptive results in table 3 show that performance targets are generally communicated clearly in Coast Region TVET institutions. The statement "performance targets are communicated clearly to all staff members" received 46% agreement and 36% strong agreement, resulting in a mean of 3.92, indicating that clarity is a major feature of institutional communication. Similarly, accessibility of communication channels had 44% agreement and 38% strong agreement (mean = 3.89), demonstrating that formal systems allow staff to access necessary information. Staff understanding of expectations scored a mean of 3.86, reflecting a high comprehension of their roles and tasks. Consistency in communication across departments (mean = 3.82) supports coordinated operations and collective responsibility. These findings align with Omondi and Kariuki (2023), who argued that clear and structured communication reduces ambiguity and strengthens role clarity in public institutions. High agreement on clarity and accessibility also supports the notion that communication is a core enabler of effective performance management. Overall, these results indicate that TVET institutions prioritize clear and accessible channels for sharing performance targets.

Despite the generally positive perceptions, the results reveal challenges in timeliness of information sharing. Information being shared on time received a mean of 3.74, with 34% agreement and 27% strong agreement, while updates about target changes recorded a lower mean of 3.67, with 33% agreement and 31% strong agreement. These findings suggest that delays in feedback and updates may create gaps in alignment and accountability. Moderate standard deviations indicate some variability in staff perceptions, highlighting inconsistent experiences across departments. These observations resonate with the study by Yeboah and Agyapong (2021), who found that untimely communication reduces organizational responsiveness and staff engagement. Informal communication mechanisms, such as peer discussions, often compensate for delays, reflecting the need for both formal and informal channels. Collectively, the results suggest that improving timeliness would further strengthen performance target communication in these institutions.

The findings also demonstrate that effective target communication fosters coordination and alignment between staff and institutional objectives. The perception that communication channels are accessible (mean = 3.89) and that targets are consistently shared across departments (mean = 3.82) indicates that staff can synchronize their activities efficiently. This facilitates collective responsibility and reduces role ambiguity, enhancing overall service delivery. Informal networks, such as departmental discussions and peer mentoring, were reported to complement formal communication, providing clarifications where necessary. Literature by Mugo and Karanja (2022) supports this, noting that robust internal communication frameworks enhance engagement and goal achievement. The combination of formal clarity and supportive informal mechanisms helps staff internalize performance expectations. High overall agreement (mean = 3.82) and low variation indicate uniform appreciation for structured communication across respondents. These findings highlight that target communication is a critical factor for translating institutional goals into actionable tasks and achieving coordinated outcomes in TVET institutions.

Performance Appraisal

This subsection examines respondents' perceptions of performance appraisal practices in Coast Region TVET institutions. It focuses on the fairness, transparency, developmental impact & motivational outcomes of appraisal systems & how these processes influence staff accountability and institutional performance. The descriptive results show that TVET institutions have structured and generally fair performance appraisal systems. The highest agreement was for "appraisals contribute to staff development and training opportunities," with 49% agreeing and 37% strongly agreeing (mean = 3.91), indicating that appraisals are used to identify skill gaps and professional growth needs. Fairness and transparency in appraisal processes received 48% agreement and 35% strong agreement (mean = 3.85), suggesting that staff trust the evaluation mechanisms. Appraisal criteria aligning with institutional objectives recorded a mean of 3.88, reflecting coherence between evaluations and organizational goals. Staff understanding and motivation showed slightly lower means, with "staff motivated by appraisal outcomes" scoring 3.76, highlighting that appraisal results do not always translate into tangible benefits. Literature by Koech and Mutua (2022) supports the importance of combining feedback and rewards to enhance motivation and productivity. Similarly, the use of appraisals to support staff development aligns with arguments by Baird and Wang (2020) that systematic evaluation promotes continuous professional growth. Overall, the results indicate that performance appraisals contribute to institutional accountability and developmental outcomes.

Despite the generally positive perceptions, the connection between appraisal outcomes and rewards or recognition was relatively weaker, with 41% agreement and 31% strong agreement (mean = 3.72). This suggests that the motivational potential of appraisals may be underutilized, as employees may not fully benefit from performance-linked incentives. The moderate standard deviations for this item indicate some variation in staff experience across departments. This observation aligns with Armstrong (2020), who emphasized that feedback alone is insufficient without developmental support mechanisms. Similarly, delays or inconsistencies in linking appraisals to tangible rewards can reduce engagement, consistent with findings by Oladipo and Adeoye (2021) in public sector institutions. The gap between evaluation and reward underscores the need to integrate appraisals with meaningful recognition to maximize their effectiveness. These results indicate that while the appraisal process is established, its impact could be enhanced through more structured incentive systems.

The findings further reveal that appraisal systems enhance accountability and institutional coherence. Constructive feedback mechanisms (mean = 3.78) allow staff to understand performance expectations and make targeted improvements. Alignment with institutional objectives (mean = 3.88) ensures that individual evaluations contribute directly to organizational priorities. Staff generally perceive appraisals as fair and transparent, which promotes trust between employees and management, supporting organizational acceptance of performance management policies. Informal practices, such as peer discussions and supervisory guidance, were reported to complement formal appraisal systems, enhancing understanding and internalization of expectations.

Table 4: Descriptive Statistics on Performance Appraisal

Statement on Performance Appraisal	SD	D	N	A	SA	Mean	Std. Dev
Appraisal processes are fair and transparent	3%	5%	9%	48%	35%	3.85	0.82
Appraisal results provide constructive feedback for staff	4%	6%	12%	45%	33%	3.78	0.87
Appraisals contribute to staff development and training opportunities	2%	4%	8%	49%	37%	3.91	0.80
Staff are motivated by appraisal outcomes	5%	7%	11%	42%	35%	3.76	0.89
Appraisal criteria align with institutional objectives	3%	5%	10%	46%	36%	3.88	0.83
Appraisal outcomes link to rewards or recognition	6%	8%	14%	41%	31%	3.72	0.85
Overall						**3.82**	

Source: Research Data (2025)

Monitoring and Evaluation

This subsection analyses monitoring and evaluation (M&E) practices within Coast Region TVET institutions. It focuses on the frequency, effectiveness, feedback mechanisms & the use of M&E outcomes for decision-making, policy adjustment & accountability.

Table 5: Monitoring and Evaluation

Statement	SD	D	N	A	SA	Mean	Std. Dev
Monitoring activities are conducted regularly	3%	5%	11%	47%	34%	3.87	0.81
Evaluation findings are used to improve institutional performance	2%	4%	9%	45%	40%	3.95	0.77
Staff receive feedback after monitoring and evaluation exercises	4%	7%	12%	43%	34%	3.79	0.83
M&E processes help identify institutional challenges	3%	5%	10%	46%	36%	3.90	0.79
M&E results contribute to policy adjustments	3%	6%	11%	44%	36%	3.84	0.82
M&E outcomes are shared openly with stakeholders	6%	10%	15%	38%	31%	3.70	0.85
Overall Mean						**3.84**	

Source: Research Data (2025)

The descriptive results indicate that M&E practices are well institutionalized in TVET institutions. The statement "evaluation findings are used to improve institutional performance" received 45% agreement and 40% strong agreement (mean = 3.95), demonstrating a culture of learning and continuous improvement. Monitoring activities conducted regularly recorded 47% agreement and 34% strong agreement (mean = 3.87), suggesting systematic oversight of operations. M&E processes were also perceived as useful in identifying institutional challenges (mean = 3.90), highlighting their role in problem detection. These findings are consistent with Ngeno and Nassiuma (2023), who argued that structured M&E improves institutional accountability and evidence-based decision-making. Feedback mechanisms, although slightly lower (mean = 3.79), indicate that staff are generally kept informed of evaluation results, which reinforces performance awareness. Alignment of M&E results with policy adjustments (mean = 3.84) shows that institutions use findings to refine strategies and governance processes. Overall, these results suggest that M&E contributes to institutional learning, operational improvement & informed decision-making.

Despite these strengths, the study found that sharing M&E outcomes with external stakeholders was less consistent, with 38% agreement and 31% strong agreement (mean = 3.70). This suggests limitations in transparency and broader accountability, potentially affecting stakeholder trust. Moderate standard deviations for this item indicate some variability in staff perception across departments. Literature by Ochieng and Mureithi (2022) similarly notes that effective M&E requires both structural mechanisms and human factors to fully enhance institutional performance. Delays or restricted sharing may hinder cross-departmental coordination and policy implementation. The results suggest that formal M&E practices are effective but can be strengthened through more open communication channels. Strengthening stakeholder engagement in M&E could further enhance accountability and responsiveness.

The findings also reveal that M&E practices support organizational coherence and decision-making. Staff receiving feedback (mean = 3.79) and regular monitoring activities (mean = 3.87) indicate that evaluation outcomes are integrated into operational management. The use of M&E results for policy adjustments (mean = 3.84) ensures that lessons learned inform institutional strategy and governance. Informal practices, such as mentoring and peer guidance, were reported to complement formal mechanisms by clarifying evaluation findings. This aligns with research by Poister (2021), who highlights that continuous monitoring reinforces organizational learning and performance improvement. Overall, the high mean scores across all items suggest a consistent recognition of the value of M&E in guiding performance. Variations in stakeholder engagement point to areas where communication and transparency can be enhanced. The study concluded that monitoring and evaluation in Coast Region TVET institutions is a key mechanism for accountability, learning & evidence-based decision-making.

Service Delivery

This subsection presents descriptive results for the dependent variable, service delivery, representing institutional performance outcomes under performance contracting. It examines cost efficiency, quality, responsiveness, transparency & the impact of performance contracting on service delivery.

Table 6: Descriptive Statistics on Service Delivery

Statement on Service Delivery	SD	D	N	A	SA	Mean	Std. Dev
Service delivery at my institution is cost-efficient	4%	6%	12%	43%	35%	3.83	0.80
Services are delivered to stakeholder satisfaction	2%	4%	10%	44%	40%	3.94	0.75
Staff are responsive to client needs and concerns	3%	5%	11%	45%	36%	3.88	0.78
Service delivery processes are transparent	3%	5%	12%	44%	36%	3.90	0.76
Performance contracting has improved service quality	2%	3%	10%	42%	43%	3.97	0.73
Clients receive services within expected timeframes	4%	6%	12%	44%	34%	3.85	0.79
Overall Mean						**3.90**	

Source: Research Data (2025).

Inferential Statistics

Regression analysis as a statistical method used to examine the relationship between variables. It quantified this relationship by creating an equation to predict the dependent variable based on one or more independent variables. The amount of dependent variable variation attributed to the behaviour of the independent variables was determined by computing a model summary.

Regression Analysis

Multiple regression analysis was conducted to determine the predictive influence of Goal Setting, Target Communication, Performance Appraisal & Monitoring & Evaluation on Service Delivery in Coast Region TVET institutions. The analysis was performed in three stages: model summary, ANOVA & regression coefficients. This approach provides a comprehensive understanding of how the independent variables collectively and individually explain variation in service delivery outcomes.

Model Summary

Table 7 presents the model summary of the multiple regression analysis. The model summary indicates a strong relationship between the independent variables and service delivery, with R = 0.761. The coefficient of determination ($R^2 = 0.580$) shows that 58.0% of the variance in service delivery is explained by Goal Setting, Target Communication, Performance Appraisal & Monitoring & Evaluation. The adjusted R^2 (0.567) accounts for sample size and indicates that the model fits the data well. The standard error of estimate (0.507) represents the average distance that the observed service delivery values fall from the regression line, reflecting the model's predictive accuracy. The results suggest that performance contracting components collectively provide substantial explanatory power for service delivery outcomes.

Table 7: Regression Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	0.761	0.580	0.567	0.507

a. Predicator(Constant): Goal Setting, Target Communication, Performance Appraisal & Monitoring & Evaluation

Source: Research Data (2025)

ANOVA

ANOVA was conducted to test whether the regression model significantly predicts service delivery. Table 8 presents the results. The ANOVA results show that the regression model is statistically significant ($F(4, 61) = 21.063$, $p < 0.001$), indicating that the four independent variables collectively predict service delivery. The residual sum of squares (34.930) represents unexplained variation, which constitutes the error term (ε) in the regression model. This reflects the influence of unmeasured factors on service delivery, highlighting that while performance contracting is a major determinant, other contextual or institutional factors may also affect outcomes. The significant F-value confirms that the model provides a reliable basis for predicting service delivery.

Table 8: ANOVA for Regression Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	48.276	4	12.069	21.063	0.000
Residual	34.930	61	0.573		
Total	83.206	65			

a. Predicator(Constant): Goal Setting, Target Communication, Performance Appraisal & Monitoring & Evaluation

Source: Research Data (2025)

Regression Coefficients

Table 9 presents the regression coefficients, showing the individual contribution of each independent variable to service delivery.

Table 9: Regression Coefficients

Variable	B	Std. Error	Beta	t	p
Constant	0.632	0.245		2.58	0.012
Goal Setting	0.308	0.069	0.296	4.03	0.000
Target Communication	0.242	0.065	0.236	3.72	0.001
Performance Appraisal	0.196	0.062	0.190	3.16	0.002
Monitoring & Evaluation	0.278	0.066	0.274	4.67	0.000

Dependent variables: Service Delivery

Source: Research Data (2025)

The regression coefficients indicate that all independent variables significantly predict service delivery ($p < 0.05$), confirming their importance in enhancing institutional performance. Goal setting has the strongest effect ($\beta = 0.308$), demonstrating that institutions with robust goal setting practices are more likely to achieve higher service delivery outcomes. Monitoring & Evaluation ($\beta = 0.278$) follows closely, highlighting that clear Monitoring & Evaluation provides direction and motivates staff to improve performance. Target Communication ($\beta = 0.242$) shows that timely, clear & accessible communication of performance targets supports alignment and reduces ambiguity in staff responsibilities. Performance Appraisal, although slightly lower ($\beta = 0.196$), still positively contributes to service delivery by reinforcing accountability and identifying staff development needs. The positive coefficients across all variables indicate that improvements in each aspect of performance contracting correspond to increases in service delivery outcomes. Collectively, these results suggest that institutions should prioritize enhancing goal clarity, strengthen M&E systems & improving communication mechanisms to optimize service delivery. The significance of all predictors also supports the argument that performance contracting is a comprehensive framework in public training institutions that integrates planning, communication, assessment & evaluation for organizational effectiveness.

The regression model can be expressed as:

$$Y = 0.632 + 0.308X1 + 0.242X2 + 0.196X3 + 0.278X4 + \varepsilon$$

Where:

Y = Service Delivery

X_1 = Goal Setting

X_2 = Target Communication

X_3 = Performance Appraisal

X_4 = Monitoring & Evaluation

ε = Error term representing unmeasured factors affecting service delivery

This model indicates that service delivery is positively influenced by all four components of performance contracting. The coefficients show the expected change in service delivery for a one-unit increase in each independent variable while holding the others constant. Goal setting had the largest contribution, reflecting its central role in ensuring accountability, learning & continuous improvement. The constant term (0.632) represents the baseline level of service delivery when all independent variables are zero, while the error term (ε) captures 42% of the variation in service delivery not explained by the model, suggesting the influence of other institutional or contextual factors. The model has practical implications for TVET management, as it provides a quantifiable framework to guide interventions aimed at improving performance outcomes. It also offers a predictive tool for institutional decision-makers to prioritize performance contracting components that yield the highest impact on service delivery, aligning with evidence from Cheruiyot and Wambua (2022), Omondi and Kariuki (2023) & Wanyama and Njenga (2023).

Qualitative Data Analysis

The qualitative analysis explored strategic leadership perspectives on performance contracting and service delivery in TVET institutions in the Coast Region of Kenya. Data was generated through in-depth interviews with senior officials responsible for policy interpretation, institutional oversight & performance review. A thematic approach was adopted to capture strategic intent, leadership judgement & governance dynamics that extend beyond measurable survey indicators. Senior leaders largely perceived performance contracting as a policy compliance and accountability framework anchored in national government priorities. However, the interviews revealed that implementation outcomes were strongly shaped by leadership discretion and institutional context. The analysis therefore provides explanatory depth to the quantitative findings by clarifying how strategic decisions influence operational realities. These insights align with contemporary public management studies that emphasise the interpretive role of leadership in performance systems. Overall, performance contracting emerged as a strategic governance mechanism moderated by institutional capacity and leadership practice (Mutula & Wamukoya, 2022; Wanyama & Njenga, 2023).

With respect to strategic goal setting, senior leaders reported that institutional goals were primarily derived from national TVET policies, performance contracting guidelines & ministerial directives. Goal formulation was described as a top-level strategic exercise intended to ensure policy alignment and institutional compliance. Respondents acknowledged that limited staff involvement at formulation stage was common but viewed this as necessary to preserve strategic coherence. Nevertheless, some leaders recognised that restricted participation reduced goal ownership during implementation. Where leadership introduced consultative forums at departmental level, commitment to targets improved. Strategic leaders also highlighted tensions between ambitious targets and constrained financial or human resources. These findings support literature suggesting that top-down goal setting strengthens alignment but may weaken implementation if participatory mechanisms are absent (Omondi & Ngugi, 2023). Goal setting was therefore viewed as both a strategic control tool and a potential source of implementation risk.

Findings on strategic target communication indicated that senior management relied heavily on formal communication structures. Official circulars, management meetings & departmental briefings were identified as the primary channels for communicating performance targets. Leaders emphasized consistency and accuracy over frequency when communicating strategic information. However, respondents acknowledged that staff understanding often depended on informal clarification at departmental level. Communication challenges were reported when targets were revised due to budgetary or policy changes. Leaders who actively reinforced messages through follow-up engagements reported fewer implementation gaps. This finding is consistent with studies that highlight the complementary role of formal and informal communication in performance management systems (Kipkebut & Wanyoike, 2021). Strategic communication was therefore seen as a leadership responsibility critical to service delivery outcomes.

Regarding performance appraisal leadership, senior officials described appraisal systems as structured, standardized & aligned with public service regulations. Leaders viewed appraisals primarily as accountability and development tools rather than reward mechanisms. Respondents noted that rigid promotion structures limited the motivational impact of appraisal outcomes. As a result, leaders increasingly relied on coaching, mentorship & professional development opportunities to sustain morale. Appraisal data were commonly used to identify skills gaps and training needs at strategic level. However, some leaders expressed concern that weak linkage between appraisal results and tangible incentives reduced staff enthusiasm. These findings align with literature indicating that appraisal systems in public institutions function more effectively as developmental instruments than as incentive tools (Akaranga & Makori, 2021). Leadership judgement therefore shaped how appraisal outcomes influenced service delivery performance.

On monitoring and evaluation, senior leaders described M&E as a core strategic oversight and reporting function. Respondents reported regular reviews of performance reports, particularly during annual contract evaluation periods. However, leaders acknowledged that follow-up on M&E findings was uneven due to workload pressures and limited resources. In several institutions, M&E output was used mainly for upward accountability rather than internal learning. Sharing M&E results was largely confined to management forums, with limited dissemination to staff or external stakeholders. Leaders recognised that this constrained transparency and institutional learning. Similar patterns have been observed in public sector organisations where M&E is compliance oriented rather than learning focused (Kusek & Rist, 2022). The effectiveness of M&E was therefore strongly dependent on leadership commitment to evidence-based decision-making.

In relation to strategic service delivery, senior leaders defined effectiveness in terms of quality standards, timeliness, stakeholder satisfaction & institutional reputation. Performance contracting was widely credited with strengthening accountability and strategic focus. However, leaders consistently highlighted systemic constraints such as funding delays, staff shortages & increasing enrolments. Respondents noted that achieving service delivery targets often required adaptive leadership rather than strict adherence to contracts. Strategies such as policy adjustments, staff redeployment and prioritization of critical services were commonly applied. Leaders emphasised flexibility as essential for sustaining service delivery under constrained conditions. These findings support literature that positions performance contracting as effective only when complemented by adaptive and context-sensitive leadership (Wanyama & Njenga, 2023). The qualitative findings therefore explain observed variations in service delivery outcomes across institutions

CONLUSION AND RECOMMENDATIONS

The study concludes that performance-contracting components significantly influence institutional effectiveness in Coast Region TVET institutions. Goal setting was found to be generally clear, realistic, and aligned with national education policies, providing staff with direction and a shared understanding of institutional priorities. However, participation of lower-level staff in goal formulation was limited, indicating a predominantly top-down approach that may weaken ownership and engagement. The findings suggest that while goal clarity enhances performance, broader staff involvement would strengthen commitment and outcomes.

Regarding target communication, the study established that formal channels such as meetings, circulars, and digital platforms effectively conveyed institutional expectations, while informal interactions reinforced understanding. Nonetheless, occasional delays in feedback affected coordination. The results indicate that both clarity and timeliness of communication are essential for translating institutional goals into coordinated departmental action and effective service delivery.

For performance appraisal, systems were structured, objective, and useful in identifying training needs, supporting professional growth, and reinforcing accountability. However, weak linkage between appraisal outcomes and rewards or recognition reduced their motivational potential. The study therefore concludes that appraisal contributes to staff development and performance improvement, but its impact increases when supported by tangible incentives.

Finally, monitoring and evaluation (M&E) emerged as a key driver of institutional learning and continuous improvement. Formal reviews, supported by informal feedback and mentoring, enabled problem identification and corrective action. Although external dissemination of results was limited, internal use of M&E findings enhanced adaptability, accountability, and evidence-based decision making.

Based on the findings, both policy and managerial actions are required to strengthen performance contracting in Coast Region TVET institutions across four key areas: goal setting, target communication, performance appraisal, and monitoring and evaluation (M&E).

At the policy level, the State Department for Technical and Vocational Education and Training should promote participatory goal setting to enhance staff ownership, accountability, and alignment with institutional priorities. Regular goal reviews and clear performance indicators should be mandated to maintain relevance and measurability. Policies should also require timely and transparent target communication using multiple formal and digital channels, supported by feedback mechanisms to ensure staff understanding and engagement.

For performance appraisal, national frameworks should standardize evaluation processes and explicitly link appraisal outcomes to rewards, recognition, and professional development opportunities to strengthen motivation and performance improvement. Additionally, policy should prioritize adequate funding and structured guidelines for monitoring and evaluation, ensuring systematic data collection, analysis, and timely dissemination of findings. Capacity building in evaluation skills and integration of feedback systems should be emphasized to support evidence-based decision-making and accountability.

At the institutional level, TVET managers should adopt inclusive goal-setting practices, organize regular review meetings, and align goals with staff responsibilities to strengthen commitment and coordination. Managers should also institutionalize two-way communication through meetings, interactive forums, and departmental consultations to improve clarity and responsiveness.

Further, appraisal systems should be used as developmental tools supported by mentoring, coaching, and recognition mechanisms to enhance staff capacity and motivation. Finally, managers should implement proactive M&E practices, share evaluation findings with staff, and establish follow-up mechanisms to translate results into operational improvements. Overall, coordinated policy support and active managerial implementation are essential to strengthen institutional accountability, learning, and service delivery performance in TVET institutions.

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