UNIVERSITY OF NAIROBI

DIRECTORATE OF PLANNING AND PERFORMANCE MANAGEMENT

REPORT

ON

EVALUATION OF THE PERFORMANCE

OF

FACULTIES
&
CENTRAL UNITS/DIRECTORATES

FOR THE

FINANCIAL YEAR 2023/2024

December 2024

PREFACE

The University of Nairobi embraced performance contracting during the FY 2005/2006 period, marking a significant milestone with the first Performance Contract signed between the Government of Kenya, through the Ministry of Education, and the University of Nairobi Council. Since then, the University has consistently engaged in performance contracting every subsequent year.

As in other institutions, the early stages of performance contracting were met with some skepticism, primarily due to a lack of understanding of the process. Over time, however, organizations on Performance Contracting realized its benefits, as it focused on defined, measurable performance metrics.

The fundamental objective of performance contracting remains improved service delivery to both internal and external stakeholders. At the University of Nairobi, as in other institutions, the existing **Strategic Plan** serves as the foundation for developing each year's Performance Contract. The strategic objectives and corresponding strategies guide the creation of performance indicators and targets, ensuring alignment with institutional goals. Ultimately, performance contracts help the University stay focused on achieving the milestones outlined in its Strategic Plan.

Since adopting performance contracting in FY 2005/2006, the University has recorded notable improvements in service delivery and operational performance across various units.

The FY 2023/2024 performance evaluation followed a rigorous three-stage process:

i. **Self-Evaluation**: Each unit conducted self-assessments using the evaluation methodology outlined in the 20th Cycle GoK Performance Contracting Guidelines.

ii. **Primary Evaluation**: The Central PC Secretariat carried out a detailed assessment of each unit's performance, assigning composite scores to all performance indicators. Adjustments were made to account for factors outside the control of the units during the contract year, ensuring a fair evaluation process.

iii. **Moderation**: This final stage involved quality control, where team leaders ensured uniform application of the evaluation guidelines. Unit heads were engaged to resolve contentious issues, rank units by performance excellence, and prepare the final evaluation report.

The successes achieved in performance contracting to date are attributed to the unwavering support of the University community. The dedication and commitment of staff, who have championed, nurtured, and driven the process, have been instrumental in realizing these milestones.

I extend my sincere gratitude to the staff of the Central Performance Contracting Secretariat for their continuous efforts in coordinating the performance management system at the University. I also acknowledge the vital role of our external stakeholders, particularly the Public Service Performance Management Unit (PSPMU) and the Ministry of Education, for their expertise in vetting, negotiation, monitoring, and evaluation.

In conclusion, I wish to congratulate the best-performing units and encourage others to strive for excellence. Together, we can continue to advance the University's vision and mission through effective performance contracting.

PROF. M. JESANG HUTCHINSON
VICE CHANCELLOR (Ag)

EXECUTIVE SUMMARY

In the Financial Year, 2023/2024, a total of 86 Units were involved in the performance contracting process. The Financial Year 2023/2024 is the nineteenth year of implementation of performance contracts in the University of Nairobi.

It is noteworthy that the underlying objective of performance contracting is to align Strategic Plans, Annual Work plans and budgets of all Units in order to improve accountability while focusing resources on the attainment of key priorities.

For the Financial Year 2023/2024, performance-contracting practice has not only occasioned greater accountability in the management of public resources, but also created more awareness and higher expectation of better service delivery to Kenyans.

During the Financial Year 2023/2024, ***seventeen (17)*** university units attained the "***Excellent***" grade, ***fifty three (53)*** units achieved the "***Very Good***" grade, and ***sixteen (16)*** units achieved the "***Good***" grade. Additionally, ***one*** unit attained a "***Fair***" grade, while another recorded a "***Poor***" grade. This marks a significant improvement compared to the 2022/2023 performance, where only ***four (4)*** units achieved the "***Excellent***" grade.

To inculcate an internal culture, which plays an important role in performance, an appropriate culture change programme informed by the core values will continue to be implemented as part of the institutional philosophy. A strong culture that is supportive of the vision and mission of the university will ultimately contribute to success.

From the results, it is clear that sustained application of the performance contracting strategy is a necessary pre-requisite for streamlining the management and operations of all University Units so as to work more efficiently. However, for the Strategy to be fully integrated and become effective, it is imperative that it is extended to all individual staff through the staff performance appraisal system.

Employee scorecards (performance appraisal instruments) embodied in their personal objectives and defined by their job descriptions and work assignments should be clearly aligned both individually and collectively to the Units' plans so that as employees meet their personal objectives and perform, their Unit's performance targets and objectives are also met. This in turn ensures that the overall corporate objectives and institutional outcomes are realized.

INTRODUCTION

A Performance Contract is a management tool for measuring performance against negotiated performance targets. It is a freely negotiated performance agreement between the Government, acting as the owner of a public agency, and the management of the agency. The Performance Contract specifies the mutual performance obligations, intentions and responsibilities of the two parties.

The expected outcomes of implementing performance contracts include:

- ✓ Improved efficiency in service delivery to the public by ensuring that holders of public office are held accountable for results;
- ✓ Improvement in performance and efficiency in resource utilization and ensuring that public resources are focused on attainment of the key national policy priorities;
- ✓ Institutionalization of a performance -oriented culture in the Public Service;
- ✓ Ability to measure and evaluate performance;
- ✓ Ability to link reward for work to measurable performance;
- ✓ Instilling accountability for results at all levels in the government;
- ✓ Ensuring that the culture of accountability pervades all levels of Government;
- ✓ Reduction or elimination of reliance on Exchequer funding by Public Agencies;
- ✓ Ability to strategize the management of public resources;
- ✓ Recreating a culture of results-oriented management in the Public Service.

The policy decision to introduce Performance Contracts in the management of public resources was conveyed in the Economic Recovery Strategy for Wealth and Employment Creation (2003- 2007). Further, Kenya's Vision 2030 has recognized performance contracting among the key strategies to strengthen public administration and service delivery. The strategies will, in this regard, focus on deepening the use of citizen service delivery charters as accountability tools, and entrenching performance as a culture in the Public Service.

In the performance evaluation reports, it is concluded that, performance contracting is, on the whole a valid and necessary strategy. It observed further, that the success of the strategy is highly dependent on focused leadership at all levels.

This report is divided into five Chapters. Chapter one covers the introduction; Chapter Two contains the performance evaluation methodology; Chapter three contains the performance evaluation results of Faculties, Teaching Departments and Central Units/Directorates; Chapter Four contains the lessons learnt; and Chapter five contains the observations, conclusions and the recommendations.

PERFORMANCE EVALUATION METHODOLOGY

Performance of a Unit for a particular performance indicator can fall under any of the following performance grades: Excellent, Very Good, Good, Fair or Poor.

Excellent Grade: Achievement ranging from 130% to 200% of the performance targets i.e. 1.3T≤ Xa ≤ 2T

Very Good Grade: Achievement ranging from 100% to less than 130% of the performance target in the signed PC, i.e. T≤ Xa <1.3T

Good Grade: Achievement ranging from 70% to less than 100% of performance target in the signed PC, i.e. 0.7T≤ Xa<T

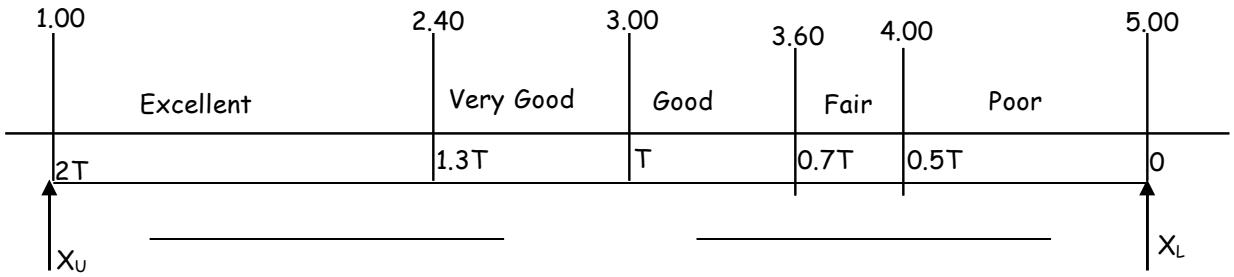
Fair Grade: Achievement ranging from 50% to less than 70% of the performance the target in the signed PC, i.e. 0.5T≤Xa<0.7T

Poor Grade: Achievement ranging from 0% to less than 50% of the performance target in the signed PC, i.e. 0 ≤ Xa<0.5T

Where T= target and Xa= Actual achievement

2.1. Computation of Performance Criteria Values

Performance is rated on a scale of 1.00 to 5.00 where 1.00 represents achievement equal or greater than 2T and 5.00 represents "Zero" achievement and below. This means that an achievement of 2T and above attracts a raw score of 1.00, while an achievement of "Zero" and below attracts a raw score of 5.00 in situations where higher value is desirable. This is presented in the diagram shown below:



$(X_U - X_L)$

Where, T = Target

X_a = Actual Achievement

X_U = 2T = Upper Criteria Value X_L = 0 = Lower Criteria Value Span = 4, i.e. (5.00 -1.00)

The Methodology for calculating the raw score of any achievement is more like measuring the distance which performance has "traveled" inside the entire span from 1.00 to 5.00. Calculation of the Raw Score is based on the Actual Achievement (X*a*) as it relates to the Target (T).

In cases where performance falls on 2.40, 3.00, 3.60 and 4.00, the grading will be "Excellent", "Very Good", "Good" or "Fair" respectively.

2.2. Indicators whose achievement cannot exceed 100%

There are indicators for which achievement beyond 100% is not feasible. For these type of indicators achievement is capped at 100% and attracts a raw score of 3.00 since any reported achievement beyond 100 is not feasible e.g. capacity utilization, absorption of allocated funds, etc.

2.3. Treatment of Contentious Issues

a) Performance indicators, weights and targets that are different from the vetted version: Use the indicators, weights and targets in the vetted performance contract.

b) Exogenous factors should be objectively established and documented.

2.4. General Guidelines

a) The Unit Heads should be present in person during negotiations, vetting of performance contract and evaluation of performance;

b) Once targets have been negotiated, the PC vetted and signed, it cannot be changed midstream;

c) Any disagreements during negotiations and evaluation should be referred to the Vice Chancellor for arbitration; and

d) Units that fail to submit their annual performance report (based on the duly signed Performance Contract) for evaluation, or for the reason that they declined to sign a performance contract shall be graded "Poor", at the lowest score of 5.