The Moderation Effect of Resource Implementation Factors on Performance Contracting and Public Service Delivery in Huduma Centres in Kenya

Wesonga Justus Nyongesa¹, Samson Ntongai² and Charles Ondoro²

¹Maasai Mara University, Kenya.  
²Maseno University, Kenya.

Authors’ contributions

This work was carried out in collaboration among all authors right from designed the study, doing the literature searches, performing the statistical analysis and interpretation. They equally and jointly wrote the first draft of the manuscript and finally approved the final manuscript.

ABSTRACT

The Kenyan Government has pressures from its citizens to improve on service delivery and be responsive to citizen's needs. Attempts such as privatization, voluntary early retirement and restructuring failed to improve the service delivery. Performance contracting was introduced to address the decline and is now being used together with Huduma Centres. The centres serve 30,000 customers daily against a target of 60,000 customers. On revenue, the centres collect Kshs 12 billion annually against a target of Kshs 30 billion according to a Government report of 2020. Focus from previous studies in resolving this around performance contracting have majorly been case studies and not surveys. Further from reviewed literature, performance contracting influence service delivery, performance and accountability. However other studies reveal that it does not result in increased customer care activities, effectiveness and efficiency and reduction in the number of customer complaints. These are mixed findings from case studies, an indicator of a moderation effect yet to be tested. Additionally, reviewed studies show that resource factors influence service delivery. The purpose of this research was to establish the moderating effect of

*Corresponding author: E-mail: justuswesonga@yahoo.com;
resource implementation factors on the relationship between performance contracting and service delivery in the Huduma Centres of Kenya. The study was anchored on Vroom's Expectancy Theory and Goal Setting Theory and utilized correlational survey research design. The target population was 276 workers at the 5 Huduma Centres in Western Region in a census survey. Pilot results \((N=10)\) revealed 20-item instrument overall mean reliability \(\alpha=0.898\). Validity was checked and confirmed by expert review. Results revealed proportion of variance in the Service delivery explained by the resource implementation factors \((\Delta R^2=0.088; p=0.000)\) positively and significantly moderated the relationship significantly implying the interactive effect of resource implementation factors improved service delivery levels by 8.8%. The study concluded that performance contracting practices are significant predictors of service delivery levels; resource factors has a positive moderating effect \((B= 0.197, p=0.000)\) on the relationship between performance contracting and service delivery. Recommendations were that firms should continue enhancing performance contracting practices by providing resource implementation factors as these efforts enhance service delivery in Huduma Centres in Kenya. The study’s significance is in contributing new literature and in government policy formulation by isolating resource implementation factors as key variables for improving public sector service delivery.

**Keywords:** Resource implementation factors; service delivery; performance contracting; public service; moderating variable.

1. **INTRODUCTION**

Performance contracting has gained currency in performance management and has emerged as an avenue for improved public service delivery (Ang’ayo & Mbatha, 2019). According to Cheche and Muathe (2014) and Njau K, Muiruri B(2012), as a performance management facet, performance contracting aims at reforms in procedures and processes used in the public sector to make it competitive, effective and more importantly efficient in service delivery. Hope [1], points out that having been used widely, performance contracting has become critical in public sector management particularly in the quest to improve performance of public enterprises [2,3].

Performance contracting has for instance been used in Belgium to focus on provision of compulsory public utility services (Ang’ayo & Mbatha, 2019); In France, performance contracting has been used as an implementation of the Nora report, that targeted reform of state owned enterprises (Bouckaert, Verhoest & Corte, 1999); in the United States of America (USA) performance has been perceived as an avenue through which productivity of the federal departments could be enhanced; in the United Kingdom (UK) it has been used as a system of setting targets for government agencies (Metawie & Gilman, 2006); and in Canada, it has been employed as a measure for cost containment (Kemaghan & Siegel, 1999). Performance contracting as a tool to ensure accountability among public agencies has also been used in Latin America and Asia [4].

African countries have not been left behind with regards to reforming the public sector particularly, knowing that there has been a history of poor performance among public agencies in the continent (Ang’ayo & Mbatha, 2019). Egypt for instance, enters into performance contract agreements with the private sector to offer services, which were traditionally provided by the public sector (Hannoura, 2014). In the East African region, introduction of performance contracting occasioned development of strategic plans through which comprehensive performance targets would be outlined (Ang’ayo & Mbatha, 2019).

In Kenya, performance contracting was seen as an avenue through which changes on the way public services were being offered could be achieved Kobia & Mohamed, [5]. This led to a lot of reforms in the public sector with most public entities seeking to improve service delivery [6,7]. One of such reform which has been mooted to revolutionize service delivery to the public in Kenya in line with vision 2030 is the Huduma programme [8-10].

The Huduma Kenya programme was designed as a one-stop shop that sought to transform service delivery by concentrating a variety of public services and information in specific centres fitted with integrated technology platforms (Kobia & Oliech, 2016). It is reported that one can access well over 60 different
services at any Huduma centre [11]. According to Kobia and Oliech (2016), the Huduma centre aimed specifically at making public service to meet best practices and global standards by being accountable, transparent, and efficient.

Despite the desired aim of transforming the public services into a professional and people-centred service through the Huduma programme by use of performance contracting measures, it has been noted that centres serve 30,000 customers against a target of 80,000; collect Kshs. 12 billion annually against a target of Kshs. 40 billion; and long queues and delays are still being experienced [11]. The current study therefore seeks to establish the moderating influence of resource implementation factors on the relationship between performance contracting and public service delivery among Huduma Centres in Kenya.

1.1 The Objective of the Study

To establish the moderating influence of resource implementation factors on the relationship between performance contracting and public service delivery among Huduma Centres in Kenya.

1.2 The Hypothesis of the Study

H\(_2\): There is no significant moderating effect of resource implementation factors on the relationship between performance contracting and service delivery among Huduma Centres in Kenya.

2. LITERATURE REVIEW

2.1 Resource Implementation Factors and Service Delivery

Studies have been carried out around resource implementation factors and various outcome variables. Lings [12] found out that the acquired personnel status led to an improvement in human resource performance, flexibility in taste allocation, and management effort GoK, [13]. It is important in the process of planning that people are given jobs in areas where they are specialized in. Employees are likely to be more productive in jobs they know about and which are their area of specialization. Lings [12] avers that scholars and potential employers have often missed out on the need to focus more on internal employees’ needs, and more so, the role they play in interacting with customers. In pointing out this, Lings emphasized the significance of management efforts and human resources.

Lings [12] argued that it was wrong to ignore the contributions made by frontline employees who by interacting with customers were critical to organizational performance. The argument pointed out was that attitudes held by such employees define the behaviour they elicit towards customers and the ultimate perceptions of the customers to the entity in question. It was therefore incumbent among managers to create mechanisms through which to motivate employees with a view to improving their attitude and behaviour, and by extension enhance provision of services. Lings [12] established that effective execution of PCs spurs satisfaction and commitment among the staff. Consequently, use of a strategy that leans to internal markets was found to be consistent with external and internal performance of organizations. Lings [12] therefore contended that it was upon industries involved in service delivery to put in place strategies that promote human resource management if they have to survive, grow and register high profits.

Kobia and Mohammed [5] established through their study that, the use of consultants to develop contract plans caused public enterprises to fail to develop the essence of ownership, commitment and enthusiasm that goes with successful implementation of performance contracts. Indeed, Musa [14] asserts that in spite of the fact that consultants, advisors and experts are knowledgeable, being outsiders, sometimes they lack the know-how of the intricate socio-political environment that inform specific nations and may not capture all required expectations in the performance contract. The performance contract implementation in Kenya could also be suffering from the misfortunes echoed by the two studies leading to the failure of Performance contracts to meet its envisaged objectives.

Wangari (2014), in the study on citizen satisfaction in Murang’a County established that, the rate at which the finances were flowing, and timely transfers were facilitators of delivery of services. She also pointed out that citizen participation in decision making influenced service delivery. Equally the study noted that rampant corruption and lack of accountability affected the provision of service delivery.
Harris & Leni (2013), in their study on funding solutions, they found out that credibility of political communication affects service delivery and so is the strength of oversight systems to help maintain level of performance. The research also established that the degree of coherence policies and process for implementation affects the delivery of services.

Mutiso (2013), in the study carried out Taita Taveta county on service delivery, noted that quality of services delivered linked positively with human resources recruitment and selection but not on the efficiency of the services offered. The study also established that employee safety and clear policies are essential in service delivery. Osman [15], in the study on local authorities in Malaysia, pointed out that simplifying of rules and regulations led to increase in delivery of services. The study also brought out the fact that training on custom care increased on service delivery. Equally important was the fact that continuous quality management through quality cycle and continuous monitoring and measurement of performance enhanced delivery of services.

From the empirical studies reviewed resource factors influences service delivery and performance. Reviewed studies such as the ones by Kobia and Mohammed [5], Lings [12] Mugumbi [16], Wangari (2014), Harris and Leni (2013), Mutiso (2013) and Osman [15] demonstrates increase in the delivery of services and as a consequence, heightened performance. From the literature reviewed, resource implementation factors enhance the delivery of services to citizens. It is therefore apparent that resource factors spur delivery of services, but no study has been carried out to establish how resource implementation factors could moderate between performance contracting and delivery of services which this study sought to establish.

3. MATERIALS AND METHODS

3.1 Research Design

The study utilized the correlational design. Gujarati (2007) contends that a research design is the blueprint that outlines that plan that a particular research has to follow. The plan categorically spells the expectations of the research in terms of methods to be pursued and data to be gathered. Creswell and Plano (2014) argue that two main paradigms exists that are applicable in research; quantitative and qualitative. The quantitative paradigm is termed the traditional and positivist, while the qualitative research is considered constructivist and experiential. The present research adopted the quantitative paradigm, and since the cause and effect relationship between quantitative variables is sought, a correlational research design is adapted.

3.2 Target Population

Target population is defined as that set of individuals, objects and events for which the study should be generalized Mugenda & Mugenda, [17]. Mugenda and Mugenda argue that this group of individuals often shares similar characteristics. The study therefore targeted all public service employees of Huduma Centres in Western Kenya that have been in operation for more now six years. These centres registered the highest number of customer complaints on the services they offered as shown in the internal newsletter among the centres in the whole country. The target population was 276 permanent workers (Table 1).

3.3 Sampling Technique

The study used complete census and therefore 276 respondents were considered in the study.

3.4 Instrument for Data Collection

The questionnaire was the central tool employed in this study. Choice of the questionnaire was based on its comprehensive nature. The questionnaire was critical in obtaining primary data from respondents and was structured in a way to capture data on all variables. It contained both open-ended and closed-ended questions to capture incisive views of respondents. The main advantage of using closed ended questionnaires is that they make it easy to analyze for they are already in a usable form Orodho J. [18].

3.5 Validity and Reliability of the Instruments

3.5.1 Validity

Data collection instruments were validated in terms of the suitability of design and structure (face validity) and the scope of variable coverage with verifiable evidence from literature (content validity). Validity is perceived as extent to which collected data reflects the phenomenon under study Mugenda et al., [19]. It has also been defined as the representativeness of a construct
devoid of systematic errors (Robson, 2011). Validation of a measurement scale such as those in the questionnaire may be done in form of face, criterion, content, and construct validation (De Vaus, 2002). By choosing face validity, the researcher assumed that through the assistance of supervisors, the design and structure of the tools as per face value was suitable.

On the contrary, content validity was employed for purposes of ascertaining that the scope of the required variables was covered by the tools, and the same could be backed by existing literature (Sekaran, 2000). As observed by De Vaus (2002), construct validity relates to the level to which the instrument’s items agrees with relevant theoretical constructs of the study. Items were carefully developed in order to represent the underlying dimensions of performance contracting, service delivery, resource factors and personal factors. Experts were therefore asked to peruse through the items and verify whether the required variable content scope had been covered, which they did. Having factored the comments and concerns of the experts, all items were produced and customized to cover the main concepts (variables) of the study.

### 3.5.2 Reliability tests

According to Sekaran (2000), reliability test measures the degree to which the approach used for data measurement repeatedly delivers the same results. All items measuring the various constructs were subjected to reliability check. The Cronbach’s reliability index was employed with a cut off at an alpha α= 0.70. Cronbach’s coefficient has been recommended by Nunnally (1978) as a good indicator of reliability. Variables with low reliability were deleted to increase the overall reliability of the research instrument to be utilised in the main research. Reliability test for Resource implementation factors had a value of an alpha coefficient of α=0.868. The mean reliability was at α= 0.868. All alpha values were more than the acceptable of 0.60 (Bagozzi and Yi, 1988) and above a minimum 0.70 level recommended by Nunnally (1978) for measurement instruments thereby indicating good stability.

### 3.6 Data Analysis and Presentation

Data was analyzed quantitatively where inferential statistic of regression was used to analyze the responses and thereafter data was presented by use of tables. The data generated was first cleaned to detect errors and omissions. Before conducting regression analysis, a number of statistical tests namely normality tests, linearity tests, autocorrelation and multicollinearity tests were conducted.

### 4. RESULTS AND DISCUSSION

#### 4.1 Resource Implementation Factors Experienced in Huduma Centres

The study sought to examined how resource implementation factors moderated the link between adoption of performance contracting and effective delivery of services in Huduma Centres in Kenya. Resource factors commonly associated with Huduma Centres were therefore first explored. The overall mean response score, together with the associated standard deviation (M=2.18, SD=0.733) indicated a consistent disagreement among Huduma Centre employees that resources were available for seamless implementation of the PC. Proportion-wise, 65.9% of the employees disagreed that resources were available while 11.5% strongly disagreed (Table 2). Employees specifically noted that there were issues with computer and internet availability (M=1.97, SD=0.959); access of relevant information (M=2.00, SD=1.035); communication (M=2.06, SD=0.917); and leadership / management (M=2.08, SD=1.025) among others.

The implication of these results is that most Huduma Centres in Kenya are facing challenges of resources required to oversee implementation of performance contracts. Inability to execute the contract properly is no doubt due to lack of space, channels of communication, inept leadership/management, lack of continuity in monitoring and measurement of performance, and poor cascade of the PC. The bottom line is that despite designing appropriate performance contracts, Huduma Centres are constrained by resource factors when it comes to implementation.

Indeed, Lings [12], points out that resource especially human, are central to employees’ productivity since they elicit commitment and satisfaction among them.
Table 1. Target population

<table>
<thead>
<tr>
<th>Huduma Centre</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kisii</td>
<td>50</td>
</tr>
<tr>
<td>Kisumu</td>
<td>65</td>
</tr>
<tr>
<td>Kakamega</td>
<td>52</td>
</tr>
<tr>
<td>Eldoret</td>
<td>58</td>
</tr>
<tr>
<td>Nakuru</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>276</td>
</tr>
</tbody>
</table>


4.2 Establishing the Moderation of Resource Implementation Factors on the Performance Contracting and Service Delivery in Huduma Centres, Kenya

The study sought to establish how resource implementation factors moderate the link between performance contracting and delivery of services in Huduma Centres of Kenya. This involved testing the null hypothesis two stated as $H_0: \beta = 0$, there is no moderating effect of the resource implementation factors on performance contracting and service delivery in the Huduma Centres. This hypothesis was tested using Moderated Regression Analysis (MRA). Of interest was the interaction between performance contracting and resource implementation factors. Hierarchical regression which required that the mean composite performance contracting and mean composite resource implementation factor practices be entered in step 1 was employed. The interaction variable obtained by multiplying standardized scores of performance contracting by those of resource implementation factors was entered in step 2. Standardized scores were preferred for purposes of minimizing threats of multicollinearity which otherwise could be caused by high correlations between raw performance contracting scores and raw resource implementation factor scores. Table 3 presents the moderation outcome.

Table 3 shows the un-standardized (B) and standardized ($\beta$) coefficients for the two study constructs as entered in step 1 and step 2 respectively. Whisman and McClelland (2005) posit that it is preferable to use un-standardized coefficient when reporting moderation results since they represent simple effects as opposed to main effects expected in additive regression model. In step 1 which omits the interaction term, B for performance contracting practices and resource implementation factor practices were 0.500 and 0.188 respectively, and were highly significant ($p<0.001$). However, when interaction was introduced in step 2, for performance contracting practices, resource implementation factors (moderator) and interaction term, the B coefficient were 0.446, 0.172, and 0.197 respectively. The adjusted $R^2$ for the main effect model was determined to be 0.374 while the adjusted $R^2$ for the interaction model was determined to be 0.460 (Table 4), this shows that the addition of the interaction term had a significant contribution, therefore, the interaction model was superior than the main effect model, therefore to answer the research objective the study used the interaction model represented in equation 4.2 to make conclusion:

$$\hat{Y} = 0.828 + 0.446X + 0.172Z + 0.197 XZ$$

Based on the interaction equation, the results of the regression analysis as illustrated in Table 4.15, showed that all the model parameters were significantly different from zero at 95% level of confidence ($p<0.001$). This shows that performance contracting, resource implementation factor and their interaction do affect service delivery levels at Huduma Centres. The model results showed that a unit increase in performance contracting independently increased service delivery levels by 0.446. on the other hand, a unit increase in resource implementation factor independently increased service delivery levels by 0.172. Lastly, a joint unit increase in resource implementation factor and performance contracting increase service delivery levels by 0.197. Given that resource implementation factor had a significant effect on service delivery levels both as a main factor and as an interaction factor, there is sufficient evidence to reject the second null hypothesis of the study and conclude that resource implementation factors had a moderating effect on service delivery levels at the Huduma Centres.
Table 2. Resource factors experienced at huduma centres

<table>
<thead>
<tr>
<th>Resource Factor</th>
<th>Strongly disagree</th>
<th>disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>N</th>
<th>%</th>
<th>N</th>
<th>%</th>
<th>N</th>
<th>%</th>
<th>n</th>
<th>%</th>
<th>N</th>
<th>%</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract properly executed</td>
<td>49</td>
<td>21.7%</td>
<td>120</td>
<td>53.1%</td>
<td>23</td>
<td>10.2%</td>
<td>22</td>
<td>9.7%</td>
<td>12</td>
<td>5.3%</td>
<td>2.24</td>
<td>1.065</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication and open channels of communication available</td>
<td>55</td>
<td>24.3%</td>
<td>129</td>
<td>57.1%</td>
<td>21</td>
<td>9.3%</td>
<td>15</td>
<td>6.6%</td>
<td>6</td>
<td>2.7%</td>
<td>2.06</td>
<td>0.917</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enough office space for serving</td>
<td>68</td>
<td>30.1%</td>
<td>96</td>
<td>42.5%</td>
<td>28</td>
<td>12.4%</td>
<td>19</td>
<td>8.4%</td>
<td>15</td>
<td>6.6%</td>
<td>2.19</td>
<td>1.152</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of computer and internet</td>
<td>75</td>
<td>33.2%</td>
<td>108</td>
<td>47.8%</td>
<td>25</td>
<td>11.1%</td>
<td>11</td>
<td>4.9%</td>
<td>7</td>
<td>3.1%</td>
<td>1.97</td>
<td>0.959</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adequate budget for the centre</td>
<td>49</td>
<td>21.7%</td>
<td>80</td>
<td>35.4%</td>
<td>64</td>
<td>28.3%</td>
<td>18</td>
<td>8.0%</td>
<td>15</td>
<td>6.6%</td>
<td>2.42</td>
<td>1.114</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees involvement in target setting</td>
<td>59</td>
<td>26.1%</td>
<td>92</td>
<td>40.7%</td>
<td>37</td>
<td>16.4%</td>
<td>17</td>
<td>7.5%</td>
<td>21</td>
<td>9.3%</td>
<td>2.33</td>
<td>1.208</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specific policies given by the government</td>
<td>51</td>
<td>22.6%</td>
<td>116</td>
<td>51.3%</td>
<td>31</td>
<td>13.7%</td>
<td>16</td>
<td>7.1%</td>
<td>12</td>
<td>5.3%</td>
<td>2.21</td>
<td>1.041</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access of relevant information</td>
<td>73</td>
<td>32.3%</td>
<td>117</td>
<td>51.8%</td>
<td>12</td>
<td>5.3%</td>
<td>12</td>
<td>5.3%</td>
<td>12</td>
<td>5.3%</td>
<td>2.00</td>
<td>1.035</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rules and regulations to govern administration of the PCs</td>
<td>53</td>
<td>23.5%</td>
<td>126</td>
<td>55.8%</td>
<td>27</td>
<td>11.9%</td>
<td>11</td>
<td>4.9%</td>
<td>9</td>
<td>4.0%</td>
<td>2.10</td>
<td>0.949</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership/Management</td>
<td>64</td>
<td>28.3%</td>
<td>115</td>
<td>50.9%</td>
<td>23</td>
<td>10.2%</td>
<td>13</td>
<td>5.8%</td>
<td>11</td>
<td>4.9%</td>
<td>2.08</td>
<td>1.025</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presence of continuous monitoring and measurement of performance</td>
<td>66</td>
<td>29.2%</td>
<td>103</td>
<td>45.6%</td>
<td>26</td>
<td>11.5%</td>
<td>23</td>
<td>10.2%</td>
<td>8</td>
<td>3.5%</td>
<td>2.13</td>
<td>1.058</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Overall Availability of resources</strong></td>
<td><strong>26</strong></td>
<td><strong>11.5%</strong></td>
<td><strong>149</strong></td>
<td><strong>65.9%</strong></td>
<td><strong>39</strong></td>
<td><strong>17.3%</strong></td>
<td><strong>9</strong></td>
<td><strong>4.0%</strong></td>
<td><strong>3</strong></td>
<td><strong>1.3%</strong></td>
<td><strong>2.18</strong></td>
<td><strong>0.733</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data (2019)
Table 3. Estimated regression coefficients for variables in the effect of resource implementation factors on the relationship between performance contracting-service delivery model

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>T</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Composite Performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contracting Measures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Composite Performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contracting Factors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interaction term</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dependent Variable: Organizational Performance
Source: Survey Data, (2019)

Table 4 presents summary statistics of the moderated regression.

From Table 4, model 1 is the additive model and included only the independent variable (performance contracting) and moderator variable (Resource implementation Factors) and was significant ($R^2=0.379, p=0.000$). The complete moderation as depicted in Model 2 included Performance Contracting conceptualized as the independent variable, Resource implementation factors conceptualized as the moderating variable, and interaction effects between the two. The model was found to be significant ($R^2=0.467, p<0.001$) thus rejecting hypothesis $H_0$: $\beta_i=0$, there is no moderating effect of the Resource implementation factors as a facet of performance contract implementation on the link involving performance contracting and delivery of services in the Huduma Centres. Moderation was confirmed by an increase in $R^2$ which was significant, when the interaction term was entered as depicted by $\Delta R^2=0.088; p=0.000$ or 8.8%. Although it was small, this change was statistically significant (Aikin and West, 1991). The Durbin-Watson statistics ranged between 1.940 and 1.955 an indication that there was absence of serial correlation. It has been pointed out that the Durbin-Watson statistic is a measure of serial correlation where upon, values near 0 indicates existence of strong correlations among residuals, values close to 2 indicate lack of serial correlation.

However, results imply that Performance contracting practices requires that, resource implementation factors which have the potential to impact positively on the performance contracting and service delivery link, be managed if the predictive power of performance contracting is to be enhanced. Moreover, the results imply that, when Huduma centres make effort to enhance resource implementation factors, the effect that performance contracting measures can have on service delivery levels at Huduma centres are likely to be increased resulting in higher service delivery levels in sampled Huduma centres.

Wangari (2014) focused on resource factors such as financial rate of flow and timely transfers which were found to impact positively on service delivery. Mutiso (2013) on the other hand demonstrated that resource factors such as the human resource have a positive relationship with quality of service delivered. The findings showing the moderating influence of resource factors provides a new avenue for examining performance contracting and service delivery. They confirm that there exist indirect effects.
Table 4. Model summary of effect of resource implementation factors on the relationship between performance contracting and service delivery

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<tr>
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<td></td>
<td></td>
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<td>F Change</td>
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<td>.460</td>
<td>.58316</td>
<td>.467</td>
<td>68.887</td>
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</tr>
</tbody>
</table>

Model 1 Predictors: (Constant), Performance Contracting, Resource Factors
Model 2 Predictors: (Constant), Performance Contracting, Resource Factors, Interaction term
Dependent Variable: Service Delivery

between performance contracting and service delivery enhanced by existing resources.

5. SUMMARY OF THE FINDINGS AND CONCLUSION

5.1 The Finding of the Study

The study sought to establish the moderating effect of the resource implementation factors on the relationship between performance contracting and service delivery in the Huduma Centres of Kenya. Its corresponding null hypothesis was that there was no moderating effect of the resource implementation factors on the relationship between performance contracting and service delivery in the Huduma Centres of Kenya. The findings reveal that the significant interaction indicates the presumed moderator (resource implementation factor practices) positively and significantly moderates the effect of the performance contracting on the service delivery of the Huduma Centres in Kenya.

5.2 Conclusion

The study concluded that, resource implementation factors significantly and positively improves service delivery through its interactive effects with performance contracting practices. This finding further implies that controlling for resource implementation factors significantly intensifies the effect that performance contracting can have on service delivery levels of Huduma Centres in Kenya. Therefore, the explanatory power of Performance Contracting on service delivery can be enhanced by aligning and controlling of resource implementation factors as contingency variable that has a significant influence on this relationship.

CONSENT

As per international standard or university standard, respondents’ written consent has been collected and preserved by the author(s).

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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